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**Legislative Assembly  
of Ontario**

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de l'Ontario**

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**Official Report  
of Debates  
(Hansard)**

Thursday 11 January 1996

**Journal  
des débats  
(Hansard)**

Jeudi 11 janvier 1996

**Evidence subcommittee  
Standing committee on  
general government**

Savings and Restructuring Act, 1995

Non-health-related issues

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

Loi de 1995 sur les économies  
et la restructuration

Questions non reliées à la santé

Chair: Bart Maves  
Clerk: Lynn Mellor

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Greffière : Lynn Mellor



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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Thursday 11 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Jeudi 11 janvier 1996

*The subcommittee met at 0859 in the Sheraton Fallsview Hotel, Niagara Falls.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, ladies and gentlemen, and welcome, committee members, to Niagara Falls. I guess it's safe for me to say welcome to Niagara Falls on behalf of my constituents also.

We will commence this morning, as we have throughout the committee process and as defined for us by the Legislature, with a half-hour per presenter. The presenter can use that time as he sees fit and the remaining time will be divided equally between the three parties for questions.

Before we begin this morning, I believe we have a motion by Mr Silipo.

**Mr Tony Silipo (Dovercourt):** I want to move the following motion:

Whereas there has been overwhelming public interest in Bill 26 and 45 groups and individuals have requested to appear before the standing committee on general government in Niagara Falls, which far exceed the 15 spaces available today for hearings;

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended and the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Niagara Falls;

Further, this committee recommends that the three House leaders meet as soon as possible to discuss this issue.

I'd like to give my time to briefly speak to this to Mr Kormos.

**The Chair:** Quickly, I'd like to welcome Mr Kormos, Mr Agostino and Mr Hudak to the committee.

**Mr Peter Kormos (Welland-Thorold):** I live in the region. It's okay. This is home.

To the motion: I was aghast to read in this morning's paper a quote from one of the Tory members that suggested that those approximately 75%—and that's consistent with what has happened here in Niagara region, a mere 10 or so out of over 40 groups and individuals that had important comments to make about this incredible piece of legislation—the fact that they were being denied access to a committee was of no great concern because, after all, they could file their submissions and the committee members could read them.

What's shocking about that is that the Tory government members never even read the bill before it was tabled, because they weren't told about it. It was kept secret even from the caucus, and they were as shocked as anybody to see this bill tabled in the Legislature. It is an egregious breach of traditional, democratic and parliamentary procedure to see so gross a denial to a public process as has been demonstrated by this government and this committee.

Chair, with all due respect to you, I'm shocked that you, as Chair, would tolerate this denial of access to a very important and what should be a public and democratic process by members of the community.

Quite frankly, I suspect in your heart that you're as ashamed of this as anybody in the Niagara region is and that you are as embarrassed by it as anybody could be. Surely you recognize that this bill, fraught as it is with loopholes and dangerous, unprecedented powers for a government and for individual ministers and containing in it powers to impose incredible new taxes on property owners here in Niagara region, should be the subject matter of far fuller and far more complete and far more thorough public participation.

I can tell you that there's a whole lot of folks here in the Niagara region, including members of the Welland and District Labour Council among others, who are royally pissed off at the fact that they're not going to be able to make their contribution to this hearing. They've got plans for you, let me tell you.

**Mr Rob Sampson (Mississauga West):** This is not the first time, of course, we've seen this motion, and my reply will be consistent with my previous reply, with the exception that I would like to note that I believe it was in London we had a deputation from a group that started off by saying, "It's unfortunate that other people can't sit and make deputations to this committee," and then went to the gist of their presentation, but that individual was also part of a group that made the same presentation, almost identical content, to us in Toronto.



My point is that it's important for us to hear from people and we are prepared to hear from people. That's why we're here. It's not unusual that not everybody can attend committee hearings. That has happened in previous government committees, and the way to deal with that is if individuals who are unable to make physical presentations, ie, be at the table, on the committee day are prepared and are more than willing or more than capable, and we're prepared to receive written submissions, which we will. I have read the ones we received, which so far total two, by the way.

We are listening. We intend to listen. This committee process was established with the consent of all three party leaders at the time. The statement by the Leader of the Opposition was that it was more than sufficient time, in her view, to review this piece of legislation, and we are performing our hearings here in accordance with orders from the House that cannot be changed.

I would suggest to the individuals who feel they are not able to speak to us today that we are prepared to receive and respond to the written submissions as we are prepared to receive and respond to the submissions made at the table here today. Most of the submissions we've received, by the way, have been people literally reading their written submissions to us, consuming most of the time that's allocated to them. We've had about two or three minutes each on average, each side, to pose questions.

I would put it to the people who are here today who will not be making presentations, please submit your written presentations to us and they will be reviewed and received.

**Mr Kormos:** That's the same thing you've said every time.

**The Chair:** Order, please. Mr Phillips has a question.

**Mr Gerry Phillips (Scarborough-Agincourt):** Just to speak on the motion and to support the motion—and if that motion is defeated, we have one that's just slightly different that we'd also like to move—I'd say to the community here that I don't think there has been a brief presented yet that hasn't brought us some new information and new insight into the bill, and I suspect when we hear from the groups today, each group will bring us some new perspective. Once the groups get into looking at the bill, they raise for us some issues around the bill. We're going to hear from one third of the groups in the Niagara area that want to be heard. I make the assumption that the two thirds we don't hear from would have had something significant to say to us.

I would also say that when the government says we can read the briefs, you should be aware that next week this group will be starting in Timmins on Monday, flying to Sudbury Tuesday, Thunder Bay Wednesday, Ottawa Thursday, Friday morning in Kingston, and we finish these hearings at 9 o'clock next Friday night in Peterborough. We begin what we call clause-by-clause hearings at 9 o'clock the following Monday morning, and then this bill becomes law one week later.

The point I'm making is that the public is not having adequate opportunity for input into the bill, and I would just say that the input we've been getting is significant and important. We are going to hear today from one third

of the groups in this area that want to be heard, and the other two thirds no doubt have meaningful contributions to the bill; otherwise they would have not asked to appear before us. The groups that are selected, frankly—it's not totally random, but the two thirds that aren't being heard should have an equal opportunity to be heard, but we won't hear from them.

We will be supporting Mr Silipo's motion. I'll be proposing another motion. I would just say that the opposition have been very up front with the government in saying: "Listen, if there are parts of this bill that you have to get passed for desperate fiscal reasons, we're quite prepared to pass that on January 29. The rest of it we think can be held over for an opportunity for meaningful public debate." So we'll be supporting this proposal.

**The Chair:** I'd like to put the motion. All those in favour of the motion?

**Mr Kormos:** On a point of order, Mr Chair: It's my understanding that neither Mr Cooke nor I can vote.

**The Chair:** That's correct.

**Mr Kormos:** If there's only one New Democrat member of the committee, two Liberals and four Tories, no matter what kind of motion's brought, it doesn't have a snowball's chance in hell of being passed because the Tories are going to oppose it.

**The Chair:** Committee membership is representative and proportional to that of the Legislature. Eligible to vote today for the Conservatives are Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young, for the third party Mr Silipo and for the opposition party Mr Phillips and Mr Gerretsen.

**Mr Silipo:** A recorded vote, Mr Chair.

**The Chair:** All those in favour of the motion?

**Ayes**

Gerretsen, Phillips, Silipo.

**The Chair:** All those against?

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.  
0910

**Mr Phillips:** I don't want to take the time of the firefighters' association. I hope you will give them their full half-hour. I'll just quickly move our motion. I'm not sure we need to debate it.

Whereas Bill 26 impacts in a major way on every individual in Ontario;

Whereas Bill 26 requires broad public input before being passed into law;

Whereas there are 44 groups in Niagara Falls that want to provide input into the bill but only 15 will be heard;

I move that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged for the community of Niagara Falls.

I think I commented on the reasons for adding that the government believes there are urgent portions of the bill. We would be prepared to deal with them on January 29.



**Mr Sampson:** On a point of order, Mr Chair: I think the motion is very similar to the one Mr Phillips moved back in Toronto that you declared out of order. Would you rule on that?

**The Chair:** There are some differences. I don't think we need to have debate on the motion. It's substantially similar to the debate we've just had. I will allow the motion and I'd like to put the motion right away.

All those in favour?

**Mr Silipo:** Recorded vote.

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

#### ST CATHARINES PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Chair:** Good morning, gentlemen, and welcome to the standing committee on general government. I apologize for the delay this morning. We have before us members from the St Catharines Professional Fire Fighters Association. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you would introduce yourselves for the benefit of Hansard and the committee members at the beginning of your presentation.

**Mr Terry Colburn:** My name is Terry Colburn. I am president of the St Catharines Professional Fire Fighters Association, Local 485 of the International Association of Fire Fighters. With me this morning is Rod Edmands, the vice-president of our association.

Today we're here representing 150 members of the fire service in St Catharines. Our goal this morning is to bring to this committee's attention our opposition to Bill 26 in general, and in particular to schedule Q and schedule M. We are going to attempt to put a local flavour to our points in order to show you, the committee, the ramifications and ripple effect of this near-sighted legislation.

This bill contains 17 schedules which enact or amend over 40 separate pieces of legislation. If passed, this bill would vest in cabinet and ministers of the crown the unconstrained power to make decisions affecting the delivery of public services together with the operation of public institutions. In many cases these decisions could be made by regulation, ministerial direction or administrative order, without parliamentary debate or meaningful opportunity for public scrutiny and without community, local or stakeholder input.

The bill also contains provisions authorizing cabinet or ministers to extinguish contractual rights and obligations contained in existing binding agreements. All this done by a government that has been in power for such a short period of time only leaves us to believe that common sense was not used.

With the formation of Bill 26 being put together with no consultation with any of our people leaves me no other thought than that the government does not care about the health, welfare and safety of Ontarians. This government is hiding behind the skirt of the deficit and only using tunnel vision in dealing with the deficit problem. Whenever anyone tries to open the government's eyes they cry deficit and stare straight ahead. This bill goes far beyond merely enacting the provisions of the Treasurer's economic statement of November 29, 1995.

Without hearing the vested interests by all the stakeholders, this government clearly could not weigh the deficit versus the health, safety and welfare of its citizens to come up with a balance which could both reduce the deficit and still protect the people of Ontario.

As you are all aware, Premier Mike Harris, in a pre-election pledge to professional firefighters in Ontario in a video last April, which I witnessed personally, said:

"We have serious concerns about some of the changes that are being contemplated with respect to the Fire Departments Act. Today I simply want to leave you with my personal assurances. No changes will be made under a Harris government until such time as your members have been thoroughly consulted, and we will insist that all changes are fully costed both from the point of view of the workers as well as management."

The statement I just read, from the Premier of the province, was a statement which showed common sense; too bad it didn't happen.

The Fire Departments Act has been under review in this province for several years. We appeal to the government to use your good judgement and common sense and continue to allow the investigative process into the merits of the amendments to the Fire Departments Act to return to those who know it best: the stakeholders.

Schedule Q of the bill, as it will relate to interest arbitration under the Fire Departments Act: Under the proposed legislation, arbitrators will be obligated to take into consideration five criteria in making an arbitration award by imposing these types of guidelines:

"1. The employer's ability to pay in light of its fiscal situation.

"2. The extent to which services may have to be reduced, if the current funding levels are not increased.

"3. The economic situation in Ontario and in the municipality.

"4. A comparison, as between...other comparable employees in the broader public sector....

"5. The employer's need for qualified employees."

In the city of St Catharines, firefighters are trained and responsible for fire protection, including prevention, suppression, dispatch, extrication, hazardous material spills, water rescue and medical emergencies, with firefighters being certified in standard first aid, CPR and defibrillation. Yet the health, safety and welfare of the community are not addressed in the criteria, as services are to be reduced based solely on funding levels. What happened to the government that campaigned on the premise of safe streets?

This government recently reinforced its commitment to a paramedic program in the province of Ontario, guaranteeing \$15.5 million to the program. The firefighter defib



program, which has just started in the city of St Catharines as well as other municipalities in the Niagara region, will allow those cities to qualify for full paramedic funding from the government. The criterion required for the cities to qualify for this funding is an early defibrillation program, which is being instituted throughout various fire departments because of our excellent response times. You must respond to 90% of your defib calls in less than eight minutes for a year in order to qualify.

Now, we can only attempt to forecast what the outcome of this legislation may be. You are certainly creating a window of opportunity for the employer to possibly prioritize the fire service as less than essential; certainly less than desirable, in our opinion. Morally, the employer's actions may be wrong, but under this legislation their actions will be legal. Risk management is named properly: It's a risk.

You very well could be risking the paramedic program your government supports by implementing this legislation as it stands. If service levels are reduced based solely on funding levels, response times will increase and funding for the paramedic program will be jeopardized. The city of St Catharines is eligible for \$500,000 for the program. Without this funding, there probably won't be a paramedic program.

The provisions set out in schedule Q handcuff the arbitrators and interfere with the independence and integrity of the arbitration process. Arbitrators have stated that basing an award on the ability to pay could render the interest arbitration process largely irrelevant. To impose the ability-to-pay criterion on arbitrators will force an arbitrator to reach a predetermined result. Employers will have the ability to unilaterally fix or reduce the budget for employee compensation, knowing full well the arbitrators are bound to the employers' budgetary decisions.

What would be the point of the employer participating in the collective bargaining process, since there would be little incentive, if any, for employers to reach an agreement when it's clear that arbitrators will have no choice at the end of the day other than to award the employer's position? Do you think any of us will have any confidence in the arbitration system if arbitrators are directly appointed by a government which lays down in legislation certain criteria which arbitrators are bound to follow in determining awards? Ability to pay amounts to no more than willingness to pay, and to our knowledge there is no objective test for measuring an employer's ability to pay.

0920

By imposing this bill unchanged, the government is implementing wage controls indirectly using arbitrators as buffers. This bill, as stated in the second guideline in schedule Q that I read previously, may involve arbitrators in decisions respecting the level of service that should be provided by employers, thereby relieving the employers of their responsibility for making decisions for which they can be held accountable.

User fees, as stated by some mayors, are a recipe for disaster. People will attempt to extinguish their own fires, thereby risking their own lives and that of their families

and the public in general for the sake of saving money. Minor fires become major fires very quickly. Without proper training, everyone is at risk. I understand what the intent is meant to be, but under the emergency aspect of the service this type of management only looks good on paper. This is not in the best interest of the citizens of Ontario. There comes a time when you must protect the citizens from themselves.

What ramifications will there be when someone disconnects a remote alarm system because they cannot afford the user fee for excessive calls due to problems in the remote system? Trust me; this will happen. People will disconnect panels. This type of problem will rarely be detected early. Discovering this after the need for the system to be activated will only result in larger property loss and possibly loss of life. How do you really prove who disconnected the panel?

Municipalities may find it could cost them money in order to try to collect from people who refuse to pay user fees. What option do they have? Refuse service to people who don't pay? This certainly doesn't make the streets safer.

Allow me now to show you our overview of this political disaster. We have just been through three years of a social contract by another government. They froze our wages and benefits and the corporation reduced our staffing level to a point that any further reductions will no doubt affect the service level. Now we get a provincial government who campaigned and promised a Common Sense Revolution. That same government also promised us a voice so that our concerns would be taken into consideration in regard to our rights, our safety and that of the public safety within their plans to reduce the deficit.

That government changes their mind, breaks their promises and acts swiftly, without consultation or regard for the public safety and welfare, with a bill that far exceeds the needs required to deal with the deficit. The government's only promise is to reduce the deficit and return 30% of personal income tax at the same time.

They reduced funding to our municipality by approximately \$3 million. At this point I do not know what the final figures are. Meanwhile, local politicians, prior to this development, made commitments of their own to not increase property taxes. They are committed to keeping their word, and you have to respect them for that, but after going through the social contract there are not many options for the local municipalities.

At this point it is almost inevitable that service levels will have to be reduced or everyone who works for a municipality will be expected to work for substandard wages and benefits so that the deficit can be paid off the backs of the workers. Even if personal income tax gets reduced and with an increase in property taxes to maintain service levels, an individual homeowner could still bank money.

Local politicians will not break their word, so we see the service level being reduced. I don't honestly know, and I doubt if this committee knows, what effect this reduction in fire service will have on one individual homeowner's insurance. One can only speculate that a reduction in fire service will result in an increase in property loss or loss of life. How do you think insurance



companies will deal with this situation? Will your homeowner's insurance cost outweigh what your increase in property tax may have been in order to maintain this essential service for your protection?

Now let's compound the problem by incorporating user fees, to put the public at greater risk by them trying to extinguish what they see as a bill, not as a harmful fire.

So that no one is happy, let's amalgamate with another city so that all union contracts are null and void. This can only serve one purpose: to keep our minds off the fact that we're in greater personal danger due to reduced service levels. Even if this legislation worked to a certain degree in reducing the deficit, the actual cost of reducing the deficit may be a greater loss of property or loss of life itself. People die every day. That's a fact. Do they need the government's help?

Labour unrest may be unprecedented in dealing with this bill, hindering business from moving into the province.

Yet when all the dust settles, there is nothing now, there was nothing in the past and we see nothing in the future that will restrict and guide either this government or any other government from letting this disaster with the deficit be created again and having this or another government come back to the workers to have us pay the bill again. It is very hard on us being caught in a "common sense" revolution.

Thank you for the opportunity to speak to you this morning.

**The Chair:** Thank you. We have four minutes per caucus for questions, starting with the government caucus.

**Mr Joseph N. Tascona (Simcoe Centre):** Thank you very much for your presentation. I'm certainly pleased that the firefighters' associations have taken advantage of the opportunity to make presentations. I note that when we were in London we were given a letter by that association from Mr Runciman to Jim Lee, the president of the Ontario Professional Fire Fighters Association, encouraging them to make the presentations, and everywhere we've been, we've had either a written or an oral presentation from the firefighters.

I'd like to bring you up to speed in terms of some of the discussions we've had in different cities. Certainly we've emphasized and everybody knows about the fiscal reality this province has in terms of the debt and the decreasing transfer payments from the federal level to the provincial level; also the accountability we have to bring to the system for the taxpayers we represent.

Also there is a fiscal reality to the arbitration process that we've had to look at, and you've addressed it under schedule Q. I just want to address a couple of points. There are mandatory criteria that are to be considered, but Mr Runciman did point out in his letter that there is no restriction on arbitrators to consider other factors. That's pointed out right in the letter, and the London firefighters made us aware of that. We want to make it clear that there are no powers given to arbitrators to decrease service levels or order tax increases. That's the independence of them, to decide through the factors, which are not exhaustive, and all they have to do is consider those in place.

What we have to focus on is the ability to pay, which is a reality. Our approach focuses on restructuring the government to do better for less. That's a reality, and it was brought in through the previous government by the social contract etc. We have to save taxpayers' money and we have to operate as best we can in the fiscal reality.

What I posed to the London firefighters, and it was also endorsed by one of the CAW locals there yesterday, was productivity bargaining in the public sector in terms of a cost-effective and a safe-operation approach in saving money. That was supported by the London firefighters—they felt productivity bargaining was a good way to go—and the CAW bluntly said: "Why don't you as the government deal with your unions and have a system where you basically do productivity bargaining with them? We do it. When we have a situation where the employer says they can't pay, that's what we do. Why don't you do it?"

Based on the realities we're facing, and in terms of saving money and being more accountable to the taxpayer, would you agree with the approach of productivity bargaining, which is basically that you look at the operation, maybe reshuffle the compensation package, look at, "Maybe this is the way we want to operate"? And you are looking for more flexibility under the Fire Departments Act in adding more service. Is that an approach you would endorse as an association, as supported by the London firefighters?

**Mr Colburn:** I don't think I could endorse that. When you talk about productivity, the city of St Catharines has had the same service level since approximately 1977, yet firefighters now are far more certified and advanced in medical assistance. Our call ratios have gone up considerably since 1977, our staffing levels have not, but what a firefighter is expected to know and do for his community today far exceeds what was already done.

The community gets the best bang for a buck out of its firefighters. If in doubt, other than somebody pointing a gun at you, in the city of St Catharines if you have a problem, you call the fire department. We'll come and straighten it out. If it's an emergency, we'll handle it.

0930

**Mr Tascona:** Is there no room in your negotiation process to find more savings, to find a more efficient operation? Have we reached the limit?

**Mr Colburn:** We have constantly worked with the corporation in free negotiations. It goes outside of what the arbitrator does. We negotiate with the city. They have told us that we have to get more for our money and we have done that. But what you have put forward in your legislation is one-sided to an arbitrator; it is one-sided from the point of view of the corporation. It states right in there that the arbitrator does have a right to rule on service levels. We are afraid that if an arbitrator rules on service levels, it takes away the responsibility from the community to make that decision on its own. It shouldn't be made from an arbitrator.

**The Chair:** We must move to the opposition caucus. Before doing so, I want to welcome Mr Bradley to the committee today. Mr Bradley, I believe, would like to start the questioning.



**Mr James J. Bradley (St Catharines):** On reading your brief, I noted that you were under the impression from a video you saw of the Premier that there would not be changes to anything to do with fire services or emergency services before there was very extensive consultation with those who are directly involved in those services. Would it be safe to say that you are not satisfied with that, that you do not feel that commitment has been lived up to?

**Mr Colburn:** It's very obvious that commitment has not been lived up to. Further to that, I know our provincial association received a letter from the Honourable Mr Runciman in regard to the same thing: that it is under review by the committee that has been struck and working on it for several years. It's a very in-depth piece of legislation dealing with various aspects of the Fire Departments Act.

**Mr Bradley:** At the beginning of the meeting, Mr Phillips, the Liberal Finance critic, moved a motion that "when the House returns on January 29, 1996, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged for the community of Niagara Falls." Do you believe that not only across Niagara Falls, but across this province, before this legislation is passed, there should be much more extensive hearings than have been contemplated to this point?

**Mr Colburn:** Most definitely. We can speak to lawyers who have gone over the bill since it came out, and they're still not sure and want to go through it further to find out just what the extent of the bill will be.

**Mr Bradley:** What do you believe the implications would be of arbitrators determining the level of service, as opposed to the local community which is familiar with it?

**Mr Colburn:** The problem I have with arbitrators making that decision is that if you have another situation like what happened in North York, you're going to have an inquiry into it and you're going to try to find out who's responsible. Everyone has it at arm's length from them. That's not acceptable.

**Mr Bradley:** You've talked about the commitment that municipalities have to service and that all of us have to emergency services in the province. We all recognize there is a problem with the provincial deficit. Do you believe it is wise for the provincial government to be making the kinds of cuts it's making in order that it can deliver a tax cut of 30% to the people of this province?

**Mr Colburn:** No, I don't think that's fair at this time.

**Mr Bradley:** We also noted that there would possibly be, and there's some discussion of this in the Legislature, some kind of actual fees levied for people who utilize those services, in other words, user fees. You mentioned a couple of instances yourself. Is it your view that this would more likely weigh heavily on those who do not have the ability to pay than on those who do have the ability to pay?

**Mr Colburn:** Yes.

**Mr Silipo:** Thank you very much, Mr Colburn, for your presentation. I think Mr Phillips made the point

earlier that as we continue to hear from organizations, we continue to get new insights, and certainly your presentation, as the first one here this morning, very much does that.

I was struck very much by the kind of situation you described that may likely happen that goes beyond the initial impact that the cuts and this legislation would have, obviously as it affects you as an organization around the question of bargaining, but also more particularly around the issue of safety and what may happen in terms of not just increases in property taxes or user fees, but also such things as house insurance, those things we haven't heard much about yet. As we are hearing more and more from people, we are finding that people are beginning to reflect upon the kind of implications that flow from this type of legislation and that it's not just sort of the immediate impact, that there are things that go beyond that.

Obviously, within your organization this is something that has taken place in terms of this realization. Do you see that happening in the community that you serve in any kind of a broader way?

**Mr Colburn:** I'm sorry?

**Mr Silipo:** Do you see that kind of realization beginning to take place, about people realizing that what the government is doing will in fact have far-reaching implications beyond just the initial impact of making some cuts?

**Mr Colburn:** Every citizen is going to pay. No matter what the government gives them back, no matter what the government takes away, it will affect them in another way. Either their insurance rates will go up or they will have greater loss to their personal property or to someone they love. It will affect them in other ways.

It's also going to affect the people who maybe live in a three-storey walk-up that has an alarm system, that a person who is just trying to get ahead in life owns that property, works somewhere else and he can't afford those user fees. Those people in that building are in jeopardy if anything happens to that panel.

We've been pushing legislation and the previous government put in further legislation in regard to protecting the public with legislation on your three-storey walk-ups and your granny flats, and now it's all being challenged under this bill. We don't have enough inspectors out there to constantly go around and make sure that everything's kept up to snuff. But it's going to happen.

**Mr Kormos:** A person totally unknown to me just gave me a button that said "Harris's common sense makes no sense to workers." I'm proud to wear it. Are you inclined to agree—

**Mr Colburn:** Do you have more of those?

**Mr Kormos:** Are you inclined to agree with the proposition?

**Mr Colburn:** Most definitely.

**Mr Kormos:** I've got a feeling there might be more of these showing up before the end of the day.

I just want to say that as a former municipal councillor, prior to being elected to the provincial Legislature, firefighters certainly in this region, and I'm sure they're reflective of firefighters across the province, as you've indicated, have been trained and have developed their



skills to a level unthought of even 20 years ago. To see a government diminish, devalue the role of firefighters, the women and men who protect our families, our homes, our lives, to see a government devalue firefighting as a valuable public service is disgraceful. There's simply no justification for it, no moral, no ethical justification, and quite frankly, not only should firefighters—and they are ticked off—but every homeowner, every member of this region ought to be extremely concerned about their welfare, their families' welfare, their communities' welfare, when we see firefighting services under attack as they are in Bill 26. I want to commend you for your participation in this hearing—

**The Chair:** Sorry for interrupting, Mr Kormos. The time for the third party has ended. Gentlemen, I appreciate your coming forward today to make your presentation to the committee.

0940

### CANADIAN TAXPAYERS FEDERATION

**The Chair:** Could I please have members of the Canadian Taxpayers Federation come forward. Good morning and welcome to the standing committee on general government. You have 30 minutes this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to field some questions and responses from the three caucuses. I'd appreciate it if you'd introduce yourself at the beginning of your presentation for the benefit of committee members and Hansard.

**Mr Tom Charette:** Thank you for the opportunity for the Canadian Taxpayers Federation to comment on Bill 26. I'm Tom Charette. I'm a resident of St Catharines. My role within CTF is primarily that of membership development within the province of Ontario. I can tell you our Ontario membership is growing at a very good rate.

The Canadian Taxpayers Federation is a federally incorporated, non-profit, non-partisan organization. We were founded in 1990. We've got 85,000 supporters across Canada, 7,000 in Ontario. We exist to give taxpayers a way to control taxes and eliminate the waste of taxpayer dollars.

The CTF supports the intent of Bill 26 because of the context in which the bill is being introduced. My remarks this morning are primarily concerned with this context rather than with the details of the bill, although I'll speak to some of those. There are three significant aspects to this context: (1) the size of Ontario's debt, debt interest payments and continuing annual deficits; (2) the likelihood of the situation getting much worse without quick action; (3) the existing level of taxation. I'd like to look at each of those.

The chart on page 2 shows Ontario's recent fiscal performance. The numbers speak for themselves. From Confederation to 1986, the province accumulated \$35 billion in debt. In the last 10 years, the debt has tripled. Debt interest payments have almost tripled to nearly \$9 billion a year and the annual deficit is approaching \$9 billion. This is clearly unsustainable. An increasing proportion of this province's resources is going to debt interest payments, and a lot of these payments are going

to bond holders and bankers in foreign countries. This is a provincial tragedy no matter where you're located on the political spectrum.

An interesting note: Thanks to the biggest tax increase in Ontario's history, tax collections this year will be \$4 billion higher than in 1990-91, but because of huge provincial deficits, interest spending will be up by \$5 billion in that same period. The taxpayer cannot even keep up with increased interest expense, let alone any demands for more program spending.

This situation can and will get much worse if it's not addressed quickly and decisively. One merely has to look at the federal government's fiscal situation to see how bad things can get when deficits are ignored. Ottawa has had deficits in 37 of the last 40 years and hasn't balanced its budget since 1969. The most recent federal budget shows the result, and this is what's in store for Ontario if we don't address our situation. Tax collections are going up by \$21 billion; program spending, what Canadians get for these taxes, is going down by \$12 billion. We'll all be paying significantly more for significantly less. Tragically, total spending is not decreasing, because as you can see, the program spending cuts are being more than replaced by an increase of \$12.7 billion in debt interest spending. We're trading our programs for debt interest.

By the end of the budget period, almost 40 cents of every dollar Canadians send to Ottawa will go to interest payments. That's up from nine cents in 1966. Now that path is tragic and is clearly as unsustainable as the one the province is on. Whether you're on the left or right of the political spectrum, there are only two questions. The first is, how do you eliminate the provincial deficit and debt? The second is, how fast you do it? How do we eliminate the debt and deficit, tax increases or spending cuts or both?

Let's look at the taxation side.

**Personal taxes:** The average Ontario family earns \$57,700 a year as a family unit. According to the Fraser Institute, this family pays 46% of this income to government. This amounts to \$26,500 a year, or \$2,200 a month, or \$510 a week. That's certainly enough government—far too much in the minds of many of these average Ontario families. This is up from 30% of income in 1960, and it's up despite the fact that never in the last 35 years can anyone ever remembering anyone running for election on a platform of increasing taxes to the point of taking almost half of the average family's income.

**Payroll taxes:** They raise the cost of hiring employees and act as direct job killers. It's an all but foregone conclusion that the provinces and Ottawa will attempt in the near future to increase payroll taxes for their joint Canada pension plan program while cutting and delaying benefits currently promised to Canadians under this program. Again, we'll be paying more for less and we'll be paying in a form, payroll taxes, that guarantees job losses. There's no room for more payroll taxes. Indeed, in the interests of job creation, they should be reduced.

**Business taxation:** Here's what Canada's Liberal Finance minister, Paul Martin, told the House of Commons finance committee in October 1994:

"While virtually everyone is aware of higher personal taxes, many believe, erroneously, that the tax burden on



business has diminished. The opposite is true. Total business taxation has risen sharply as a percentage of pre-tax income. Because about 70% of business taxes must be paid regardless of profit level, they have produced extremely high effective tax rates during economic downturns."

In other words, just when our economy goes into one of its periodic downturns, the effective tax rate on business goes up. No wonder mass bankruptcies and high unemployment are the result.

In our view, it would be economic suicide to increase business taxes. We would be sacrificing not only many of our own jobs but those of our children and grandchildren as well.

Of course, there are a lot of groups that would endorse higher levels of taxation, and we know exactly where each of these groups would increase taxes: on somebody else. In the mid-1960s, the late American Senator Everett Dirksen was quoted as saying that taxation was a game of, "Let's not tax me and let's not tax thee, we'll tax that fellow behind the tree." Well, the fact of the matter is that we've reached the point in Ontario where there's nobody left behind the trees, and the growth of the Canadian Taxpayers Federation, as well as the diversity of our membership, is testimony to that fact.

If taxation's not the answer, what is? The answer is contained right here in the Canadian Taxpayers Federation taxpayers protection pledge. It was signed by Ontario's new Premier, most of the PC members of the Legislature and even by a few candidates from other parties during the course of Ontario's recent election. It contains the answer.

The second item of the pledge requires the Ontario Legislature to pass legislation which gradually gives up the power to borrow money on behalf of the citizens of Ontario by requiring it to eliminate Ontario's operating and capital deficits within the next five years, along with interim targets for each of the years, that is, by cutting spending. Cutting spending is the answer, and the only answer.

Now let me turn to Bill 26. In the above context, our view is that Bill 26 or something very close to it is necessary in order to permit the Ontario government to manage its affairs in a way that will allow the government to achieve the necessary spending reductions in a timely fashion, that is, within the five-year time frame established in the taxpayers protection pledge. One might have a concern about one or another of the aspects of the bill, but the overall thrust of the bill is to permit the government to deal quickly with its spending problems, and that we endorse.

Let's look at some of the concerns with this bill. Many groups are concerned about the concentration of power to make spending cut decisions in the hands of government ministers. Our view is it's about time this happened. The annual reports of the Office of the Provincial Auditor, the likes of which I've got in my hand right here, are a continuing indictment of the failure of successive governments in this province to manage our spending in a prudent manner.

To bring government spending into line with what taxpayers are willing to pay is not going to be an easy

task. It'll require that the government actually get into the details of where all the cheques are going and then make some hard choices regarding priorities. Given the deep hole we are in, the government must have the power to act and act quickly.

It is far, far easier, let's remember, for government to function in an era of increased spending. Really, all you have to do is announce a program, hire some civil servants, let the affected individuals and groups know where the trough's going to be located, and that's all that's needed. Then it's on to planning the next spending program.

If the thought of government having this power is frightening, we should not make the current government the focus of our concern. Rather, we should focus on the size to which government has grown and the lack of financial prudence by previous governments. Many of the groups now petitioning the government to back off its mandate and in effect let the status quo continue should see what is happening now as a direct and necessary result of their own past successful efforts to increase the size and scope of government in the province.

#### 0950

Another concern is the lack of consultation. We believe that all of the groups appearing before this committee and others making submissions are making good-faith presentations, but all of us should remember that the Ontario electorate was consulted on June 8 last year and the electorate has already rendered its decision.

The amount of time currently scheduled for hearings on the bill is about right. Instead of additional staged and costly consultations which are dominated by groups, this government might investigate legislation that would permit citizen initiatives and other forms of direct democracy.

Let's remember also that many lengthy consultations in the past have proven to be a waste of time and money. Within the past few years, the province spent about \$90 million on consultations to develop a long-term plan for Ontario Hydro. The result? Near the end of the planning period, it was decided the plan wasn't needed after all and all of that time, effort and money went down the tubes. The province spent \$56 million recently on the location of garbage dumps. Result? No verdict. More time and money down the tubes. Closer to home, the province spent 13 years and \$40 million on consultations re the Ontario Waste Management Corp. The previous government didn't like incineration, and apparently the current government does under certain conditions. The fact is, the \$40 million is gone.

Another concern one hears about is privacy. Let's consider this: Once a government starts writing cheques, it has one of two choices, keep its nose out of the issue of whether or not the cheques represent the proper use of public funds or try to make darn sure that they do. No one in this room is ever likely to take his or her vehicle into a repair shop, hand the keys and a blank cheque over to the mechanic and say, "Fix it, I'll be back at 5." Not many of us in our private lives ever hand over blank cheques very often.

The Ontario government writes lots of cheques. It writes cheques for medical services, for legal aid, for



business loans and grants, for workers' compensation, for prescription drugs, education, social assistance and on and on. We take the view that the province had better make darn sure that each of these cheques is legitimate and proper, and if one receives a government cheque, one had better be prepared to cope with such inquiries as may be necessary to ensure the funds were properly spent.

I'll tell you, there's one thing that drives our supporters wild. It's that sense of entitlement to get into the public purse that finds its expression in phrases like, "Just give me the cheque and keep your nose out of my business." It's about as close to operating in a dark alley with a gun in hand as you can get.

In the final analysis, if one is concerned with privacy, one always has the option of not taking the cheque.

Now, we do have a major concern with the bill in connection with the taxation powers of local governments. We think the bill needs to be clarified as to the type of taxes that local governments may impose. We believe that the only appropriate addition to the current power to tax is the imposition of revenue-neutral user fees, and we stress that the fees must be revenue-neutral.

As noted earlier, this government has pledged to pass legislation that would require it to obtain voter approval in binding votes for any increases in existing taxes or any new taxes. We believe, therefore, that Bill 26 should require school boards, cities, towns, counties and regional governments to also seek voter approval of increases in property taxes and other fees and levies or for the imposition of any new fees or levies. These bodies are, after all, creatures of the province and should be required to live by the same rules. Alternatively, the government could bring in legislation giving Ontarians the right to vote on mill rates in local elections every three years.

In conclusion, let me say that this province was once one of the finest prosperity-creating machines in all of human history. Let's not forget, we have something extremely valuable here. High taxes and wasteful government spending have severely damaged this machine. The province is being eaten alive by the effects of fiscal mismanagement and compound interest. The CTF supports the intent and purpose of Bill 26 to restore fiscal sanity to the province.

**The Chair:** Thank you. We have about four minutes per caucus for questions. We start with the opposition caucus.

**Mr Phillips:** Four minutes? I'll ask one, and then my colleague.

Your presentation is not unlike virtually every presentation we've had that is in support of the bill. The groups that are in support of the bill I think are in support of the title of the bill. They all like the title of the bill. But then they express major concerns in the areas of interest to them. I know you're with the taxpayer group. I just wanted to make sure that we're clear on what you're supporting.

The purpose of this bill is to give what's called unlimited flexibility to municipalities to impose fees or taxes, to eliminate any right that anyone has to appeal that to the OMB and to eliminate any requirement to get voter approval. All they need to do is pass a bylaw, and this includes things like gas taxes and what not.

Then on the business licensing side, it also provides virtually unlimited flexibility there. We heard yesterday from the mayor of Guelph that Guelph is very much looking forward to it so they can take licence fees up I think 25-fold. Where they used to charge \$20 they now want to charge \$500, and business licence fees can even be in the form of I think what's called taxation. Yes, "requiring the payment of a licence fee which may be in the nature of a tax."

So I understand the taxpayers' group likes the name of the bill, but in the area of your big interest, I just want to be clear: You're supporting the introduction of virtually unlimited fees and local taxes and no appeal to the OMB or to the electors, and in the business licensing area the imposition of business licences that may be in the form of taxation. Am I interpreting your support properly?

**Mr Charette:** No, quite the contrary. In fact, if you look at my submission, the last page of it, we're quite out of tune with that expression.

We think, first of all, that the kinds of fees and levies and so on need to be clarified. Second, we believe that anything imposed should be revenue-neutral. In other words, if you're going to impose a user fee on garbage collection, you ought to reduce the mill rate accordingly. Third, we believe that the local property tax owner ought to be able to vote on any increases, whatever you call them. Call them property taxes, user fees, levies, they ought to be given the right to ratify those in a binding vote.

**Mr Phillips:** Let me just make a comment on that, because your concerns are not going to happen. I'm sorry about that. As much as some might like it to happen, the intent of the bill is exactly opposite of what you want. So I was just a little surprised that the taxpayers federation didn't say, "We are against the bill unless you amend it this way," because the government's made it clear. They promised the municipalities this flexibility. That's the heart of the bill.

I'll make one last comment and then my colleague, but I know Mr Harris promised you immediate passage of taxpayers' protection legislation and I would just in passing comment that none of us have seen any immediate passage or even introduction of that.

**Mr Charette:** We'd appreciate, by the way, your bringing that to the Premier's attention.

**Mr Phillips:** Well, he probably knows.

**Mr Bradley:** The Chairman's allowed me to have a very quick question, and that is, the effect of Bill 26 is to transfer authority and power from the elected representatives you can get at to those who are unelected and concentrate that power in the hands of a few. Does this fit in with the taxpayers' coalition view of how democracy should work, taking powers from the elected representatives and giving them largely to appointed people?

**Mr Charette:** Our view is this, Mr Bradley: If somebody's going to tax you, they ought to be accountable to you. To the extent that the provincial government is spending I think about \$11 billion a year at the local level on things like education and municipal and regional governments, it's their responsibility to make sure that that money is spent properly and they ought to be accountable for it.



Unfortunately, as you know, our levels of government are quite entangled, and that does present a problem. But our consistent view is that voters at every level ought to be able to ratify any future increase in taxes. When the average family's paying 46% of its income to government, that's enough, and anything other from any other source ought to be given specific approval by a vote.

1000

**Mr David S. Cooke (Windsor-Riverside):** I thank the presenter. Your brief is not unlike the brief that we got on Monday, I think, from your brother in Windsor. I just want to make a couple of comments and get a couple of reactions from you.

First of all, I do want to say that in your conclusion, when you say, "This province used to be one of the finest prosperity-creating machines in human history," I think we've got to keep some of this in perspective. Canada constantly is labelled by the United Nations as the finest country in the world in which to live. That hasn't changed. And Ontario, as part of Canada, is the richest province in Canada. So let's keep it in some perspective; this is a good country.

You talk about the mandate that this government got in the election. Let me remind you of part of that mandate: Not one cent will be taken out of health care; no cuts to the justice system; no cuts to agricultural spending; no cuts to classroom education; and agreement and promises that people like the firefighters will be consulted before any changes are made to any pieces of legislation.

That is the mandate this government got. So we've got to keep in mind the entire mandate that Mr Harris got, not just a mandate that's perceived by the taxpayers' coalitions that the deficit is to be brought down. All of us, and all three political parties, agree that the deficit needs to be brought down. It's a matter of how it's done and it's a matter of whether you bring the deficit down before you start promising 30% tax decreases, much of which is going to go to the wealthiest people in the province.

We've also got to keep in mind that there have been deals that have been struck. There was a deal struck with the municipal sector, and I would even go as far as saying a backroom deal, that, "We will cut back your grants considerably and, in return for that, we're going to give the municipalities the so-called tools"—well, a tool to completely destroy the arbitration process in the province and to basically impose wage controls through the arbitration process—and then to give municipalities the ability to have a head tax, an income tax, a sales tax, a gas tax and all sorts of new licensing fees.

The mayor of Guelph, as Mr Phillips said yesterday, made it very clear, and he gave a very specific example. Restaurants in this province, when they're receiving their business licences at the municipal level, currently can only be charged up to \$20. The cost of producing that licence, with the inspections and everything, he said is between \$200 and \$500. Guelph, and I suspect most other municipalities, intends when this legislation is passed to go to full cost recovery, which means businesses, and that particular business, will be paying a licensing fee of about \$500. We suggested yesterday, after that statement was made, that we might want to call back to the com-

mittee every chamber of commerce that's appeared before the committee endorsing the bill, because I suspect the business community might have a different view when they start seeing what they're going to be paying at the local level under this legislation.

But specifically in the pledge that Mr Harris made in the last election, if in fact municipalities start imposing these types of taxes, part of the pledge to the taxpayers' coalitions in this province was that if there are any new taxes introduced in this province, Harris will resign. Do you not believe that if this legislation is passed as it is currently proposed and those new taxes go into place across the province, Mr Harris would be breaking that pledge and would have no choice but to resign?

**Mr Charette:** I should let you know, in all honesty, that Gerard is my younger brother and there are five other Charettes between him and me.

**Mr Cooke:** We've only been in the south; I don't where your other brothers live.

**Mr Charette:** You may hear from some of the others; I don't think so.

All I can say in respect to your question is that our pledge did not ask him to resign. That may be a promise he made, but he didn't make it to us.

**Mr Cooke:** Part of his mandate.

**Mr Charette:** We are consistently taking the view that school boards, cities and towns, regions, counties and townships are creatures of the province, and the pledge we've got we understand to mean that if there are any increased taxes, fees or levies, the voters will be given a chance to vote on them.

**Mr Tim Hudak (Niagara South):** Thank you, Mr Charette. I enjoyed the presentation and I regret I didn't get to see your younger brother's presentation as well. Perhaps if there had been more Charettes and they'd been listened to five years ago, we wouldn't be in the situation we're in today with higher taxes and such high debt payments.

My question to you: The object of this bill, Bill 26, the way I see it, is basically to give municipalities the tools to come into the 21st century, to give them the flexibility to deal with funding situations, to allow them to do better with less, make partnerships, rationalize services. To make the changes necessary, municipalities did gear up to attract businesses coming to the turn of the century. People across the floor just seem to say that the only option municipal politicians have is to raise fees, raise taxes and such. I have much greater faith in municipal politicians to make wise decisions and to do better with less. What's your opinion on the expected behaviour of municipalities after Bill 26?

**Mr Charette:** Sorry, I didn't—

**Mr Hudak:** What kind of behaviour do you think we will see among municipal politicians after Bill 26?

**Mr Charette:** I think one can anticipate that there's going to be a wide variety of reactions. School boards worry me as much as the cities and towns and regions. I think that if, as Mr Cooke described, that's the mayor of Guelph's reaction, that's where our organizers are going to go, because he'll just drive more members into the Canadian Taxpayers Federation and local ratepayer groups. Governments that tax, spend and borrow are



really our marketing department as far as membership goes. I may have one of the easiest jobs in the province, to tell you the truth. So I think to the extent that people reach for increased taxes or fees or levies, they're going to meet a terrific amount of resistance from local rate-payers or from groups such as ours, because there is no room. We will drive people out of business with increased property taxes and levies. We will drive people out of their homes. There's no more room. So my answer is we'll just continue the fight to keep the taxpayer free of additional burden.

**Mr Hudak:** I also enjoyed the debt presentation and the growth of the debt and deficit. I'd like to follow that up a little bit, and how Bill 26 affects us, in that I understand that right now \$1 million an hour more than it takes in is spent by this government. That's not a 9-to-5 job for the deficit; the deficit grows 24 hours a day. It doesn't sleep, it spreads. That means there's \$1 million less for hospitals, \$1 million less for high schools, \$1 million less for the QEW, \$1 million less for fire protection services, police services—per hour.

My question to you is, what impact does the increased spending on debt financing, and this reduction in services as a result, have on low-income people and on job creation in the province of Ontario?

**Mr Charette:** Paul Martin told the House of Commons standing committee on finance in October 1994 that the debt we've got publicly—and it certainly applies to Ontario—is a shameful legacy to our children and grandchildren. He made the clear point that federally, and it certainly applies to Ontario, we didn't invest in anything; we consumed all of this money that was spent. It's gone. It's not there in buildings or any productive assets. It was used up. So it's a shameful legacy.

One of my comments would be that one of the groups you won't hear from will be the one-year-olds and the two-year-olds and the three-year-olds in this province. None of them are organized or represented. But those are the people who have got to pay that \$9-billion interest bill for ever and a day unless somebody someday pays the debt down in Ontario. I would urge everybody in this room, the organizations that are yet to present and all the members of the Legislature, to think of those people. They can't put any political pressure on you folks. They have no voice.

**The Chair:** Mr Charette, I apologize to have to interrupt, but we've come to the end of your half-hour. I'd like to thank you for coming forward and making your presentation to the committee today.

Can I please have the Taxpayers' Coalition of Niagara representative come forward.

**Mr Kormos:** On a point of order, Mr Chairman: The Niagara Region Police Association was denied an opportunity to make submissions to this committee. Why is it that this committee isn't concerned about policing and the concerns of the women and men who serve in our police force? Why is it the committee doesn't give a damn about the cops in this region to the extent where they would let them come here and make a submission?

**The Chair:** There's a process for presenters that all three parties agreed to, Mr Kormos, and that's been followed. If they didn't get on—

**Mr Kormos:** Damn it, Chair, come on. They were denied from making a submission to this committee—

**The Chair:** No doubt that's the case that they're important, but they have the same ability as all other groups to make written submissions.

1010

## TAXPAYERS' COALITION NIAGARA

**The Chair:** Mr Atkinson, you have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you and your colleague would introduce yourselves at the beginning of your presentation for the benefit of Hansard and the committee members.

**Mr Charles Atkinson:** I appreciate having this opportunity to comment on the provisions of Bill 26 on behalf of the members of the Taxpayers' Coalition Niagara. My name is Charles Atkinson. I'm the president of the taxpayers' coalition. I would introduce my colleague, Maurice Gomme, who is a member of the coalition and has been very active in monitoring activities of local bodies.

The coalition was formed in 1990, following a number of informal meetings among concerned local taxpayers who viewed the escalating public expenditures and public debt in Ontario with alarm and decided that concerted action by local taxpayers was necessary. We direct our efforts towards local municipal and regional councils and school boards with the intent of increasing accountability and concern for the ability of taxpayers to pay local taxes. Our membership includes both private individuals and businesses.

Clearly, the efforts of the provincial government to rein in the provincial deficit and accumulated debt by reducing transfer of provincial funds to local public bodies has the possible impact of motivating such local bodies to increase property taxes, their principal source of local financing. We are determined to pressure local bodies not to increase local taxes to make up for reductions to provincial grants and to seek alternative ways to maintain essential local services.

My primary intent is to say three things to this committee:

First, we believe that the intent of Bill 26 is correct and, in general, we support the provisions of the bill as a necessary step for the province to implement the cost-cutting measures which must be taken to get Ontario's public expenditures under control.

Second, the simple expedient of increasing property taxes must be made out of bounds to local bodies. There are other alternatives that must be explored and adopted. In this respect, we have been concerned for some time that public sector workers have been allowed to take advantage of a privileged and protected position to attain levels of salary and fringe benefits which are excessive in terms of the remuneration levels in the private sector. Action is needed to bring these costs into line before implementing any service reductions.

Third, we observe that while local municipalities have made a major effort to control costs and avoid annual



property tax increases, school boards and regional governments have not acted with comparable restraint and have continued to hit local taxpayers with unreasonable increases. Requiring regional government and school boards to submit their budgets to municipal council for scrutiny and approval would be one way to bring accountability to these bodies.

Returning to the first point, which is Bill 26, the presentation by Mr Charette has covered this point very thoroughly and I endorse all of his logic and comments. We recognize that Ontario has been living far beyond its means for three decades, and the time has now come to abandon the tax-and-borrow-and-spend policies which have been particularly evident in the past decade and which have brought Ontario to such a powerless financial state.

The next point, public sector cost containment: We could highlight the success of Niagara Falls in contracting out garbage collection. Last April, it was reported that the cost of \$45 per tonne for municipal garbage collection would be reduced to \$25 per tonne by using a private contractor, a cost reduction of 45%. We recommend privatization and competitive tendering for essential services before any consideration is given to reduction of services.

There is also the question of pay levels of public sector workers. I draw your attention to a study completed in October, 1992, by the Canadian Federation of Independent Business and entitled *Wage Watchers: Measuring the Excess in Municipal Government Salaries and Benefits*. The first paragraph of the executive summary of this report is as follows:

"The results of this analysis strongly suggest that better employee pay and benefits in the municipal public sector is not a myth. The nationwide advantage is shown to be in the order of 27% in favour of municipal employees compared to the private sector. Better public sector salaries and wages account for one third of the total pay gap and the combination of paid and non-paid benefits account for the rest."

The last paragraph of the executive summary is also germane and is as follows:

"It has become clear that the systems and procedures that determine public sector pay and benefits levels, while very beneficial to employees, leave taxpayers with very little say—even though they ultimately pay the bills. Public sector controls are needed to ensure that the interests of all parties are taken into account because it is the obligation of government to act in the best long-term interests of all citizens. Without action, Canada is in danger of becoming a two-class society—employees of the private sector suffering while the economy becomes overtaxed and less competitive, and employees of the public sector who are able to live in insulated comfort through their working lives and through retirement. The larger the gulf becomes between these two classes, the greater the public cynicism will grow against government and the civil service."

To summarize, the study arrived at the conclusion that on average across Canada, municipal public sector workers received salary and benefits 27% greater than those received by comparable workers in the private

sector. Obviously, major cost reductions can be attained by implementing pay equity—that is, by making public sector pay levels a direct proportion of comparable private sector pay.

It follows that apart from other measures which might be taken to restrain costs in local governments and boards, there is a clear need to complete a thorough and credible comparison of salaries and benefits in the public and private sectors in Ontario. The prompt completion of such a study by a credible, independent economic research organization will provide the basis for local bodies to bring their staffing costs into an equitable position with respect to the taxpaying private sector. Such a study must be based on a comparison of remuneration on the basis of each hour worked, not on the basis of annual or monthly pay. It would be useful also if the study conclusions could include a recommendation on the relative levels of remuneration in the public and private sectors.

My personal view is that public sector remuneration on an hourly worked basis should not exceed 90% of that of comparable private sector workers, to take into account the higher level of security and better working conditions generally enjoyed by public sector employees.

We are all very aware of the ending of the social contract which has limited salary increases in the public sector over the past three years. Already, we are hearing voices from the public sector claiming that a catch-up is needed to alleviate the supposed hardship arising from the salary freeze. Steps are needed and appear to be included in Bill 26 to restrain the wholesale augmentation of public sector remuneration which can only come at the expense and to the detriment of the private sector worker who could well have suffered a remuneration decrease over the past five years.

If the pay differential cited above is found to exist, there would be no reason to implement any public sector pay increase when the social contract ends, and in fact, reduced pay levels could well be justified as equitable. We also need to pay attention to the manipulations at which public sector bureaucrats are so adept. For example, the Niagara South Board of Education approved a restructuring of some departments in May, 1995, with the result that several senior positions were upgraded by one wage level. This is a neat way to provide a covert salary increase while apparently maintaining unchanged salary levels.

#### 1020

As noted earlier, the responsiveness to taxpayers' ability to pay has been most evident at the municipal level and most municipalities in this region should be applauded for avoiding municipal tax increases over most of the past five years. In fact, the mill rate in Niagara Falls was lower in 1995 than it was in 1990. Unfortunately, the same cannot be said for regional government, which has continued to impose tax increases amounting to 28% over the past five years. School boards have also been very resistant to considering the taxpayers' ability to fund their operations and excessive aspirations. For example, the Niagara South Board of Education has introduced increases in four of the last five years, for a combined increase of 24% over these five years.



With respect to regional and school board taxation, I have alluded above to the success of local municipalities in avoiding tax increases and the failure of regional government and school boards to perform in similar fashion. One significant factor in the poor performance of the latter is their isolation from the taxpayer and the legislated requirement that municipalities must impose taxes as defined by regional governments and school boards. The role of the latter in increasing local taxes is not well known and unless a person is particularly interested in such bodies, the elected representatives will be totally unknown. The representative who will be known most locally is the municipal alderman, who thus becomes the focal point for taxpayer concerns. However, the alderman has no direct voice in controlling cost and taxes from the region and school board.

A change in legislation to require that all taxes imposed or collected by local municipalities be subject to municipal approval is suggested as a means of ensuring greater accountability on the part of regional government and school boards.

To limit the ability of a municipality to hobble the activities of regional government and school boards, the power of municipalities to review and approve their budgets could be limited to reviewing and approving any increase in mill rate proposed by them. In this way, regional government and school boards will be subject to scrutiny on behalf of the local taxpayer.

The need for such scrutiny is evident when we consider the foolish spending by public and separate school boards. As an example, both boards compete with each other trying to lure students from the other board. Each of the local boards competes for students and wastes substantial funds hiring staff whose function is to enumerate the public and separate school supporters and then try to persuade them to switch to the other school system. Legislation or regulation is required to stop this wasteful nonsense which can be characterized as competing with the taxpayers' dollars to get more taxpayers' dollars.

In summary, the Taxpayers' Coalition Niagara supports the general direction taken by the Harris government over the past six months and supports the initiatives contained in Bill 26. The coalition recommends that every avenue of cost containment be explored at the local level before services are reduced. As part of this effort, a thorough, credible comparison of all the remuneration levels in the Ontario public and private sectors should be performed and published. A recommendation on the relative levels of public and private remuneration should also be made.

The coalition recommends that Bill 26 make provision for elected municipal representatives to scrutinize the budgets of the regional government and school boards and to reject any tax increases not seen as justified.

In conclusion, I refer to the January 1996 issue of *Today's Seniors*, which contains the following apt comment by Reg Stackhouse: "An economy has to produce goods and services that add wealth to a country. Canada is in economic trouble because it has too many governors moving money around and too few producers bringing it in." Let's remember that the next time we want to protest when a government program is cut out or even cut back.

**The Chair:** We have four minutes per caucus for questions and we start off with the third party.

**Mr Kormos:** Thank you, sir. Just by the way, with respect to seniors, you should know that representatives of seniors in the region were denied access to this committee. The Niagara Falls seniors wanted to make a submission to this committee, and they were told they can't come here and make a contribution to this committee process.

With respect to privatization—and you appear to have some affection for it; I couldn't help but reach that conclusion—are you suggesting that firefighting services be privatized?

**Mr Atkinson:** It could be looked at.

**Mr Kormos:** What about policing?

**Mr Atkinson:** Probably not.

**Mr Kormos:** Or we could go back to the era of Pinkerton, where only the rich people could have policing in their communities rather than the whole community across the board. What about education? Might that well be privatized too so that only rich children could receive education?

**Mr Atkinson:** Responding to the one on education, the fact of privatization does not necessarily mean that only rich people or affluent people could partake. I might point to the fact that the telephone service is private, and yet everybody has a telephone.

**Mr Kormos:** Not with the new rate increases, I'll tell you. There's a whole lot of folks who are going to have to be giving up their phone, including seniors.

**Mr Atkinson:** There are many, many services which are delivered by private organizations, and in my view are delivered much more effectively and economically than they would have been in a public organization. I can point, for example, to the telephone system in the United Kingdom, which I happen to be familiar with. That organization was privatized, the service has improved immensely, the costs are decreased, and everybody is happy.

**Mr Kormos:** A lot of things have improved over the last 20 years because of technology, not because of privatization.

**Mr Silipo:** Mr Atkinson, I just want to go back to the question of taxes. You said earlier that you endorsed Mr Charette's comments presented to us earlier. I just want to be clear, if you agree with him, as I understood him, that the taxpayers protection pledge which Mike Harris signed on May 30, 1995, should, in your view, cover any tax increases by municipalities and school boards given, I think as Mr Charette said, that those two bodies are creatures of the province. Do you agree with that as well?

**Mr Atkinson:** Not totally.

**Mr Silipo:** Not totally. So you don't have any trouble with the provisions of this bill that allow municipalities to charge user fees and as well allow them to be able to tax?

**Mr Atkinson:** I'm delighted with the provision, principally because the local municipality is extremely responsive to local taxpayers, and I've demonstrated that by looking at the past five years in this region. The municipalities are the organizations which have constrained their costs. It is those bodies that are somewhat distant from the taxpayer who have not constrained their costs.



**Mr Silipo:** Do you think that it's going to be just as easy for municipalities to constrain their costs when they're facing over the next couple of years 47% cuts as opposed to 1% or 2% cuts that they've had to deal with over the last couple of years?

**Mr Atkinson:** I take the view that the cuts have to be made. From a national and a provincial viewpoint, the cuts have to be made. In so far as they are brought to the local level, where people can express their views and make their choices, then it is better to have them at the local level than at a higher level.

**Mr Hudak:** Mr Atkinson, thank you also for your well-thought-out and researched presentation. I'd like to follow up on what I think is refreshing, what I'm hearing from you in a sharp contrast from what I'm hearing across the floor, in that municipal politicians are clever. I get the impression—perhaps even from questions that were addressed to you—that some people here think that municipal politicians are dullards who, when funding is cut, have no choice but to raise taxes. You point out a great local example when costs were cut by 45% in garbage collection. I know my own home town of Fort Erie and in Port Colborne they've done some great things with public-private partnership and such.

My question, Mr Atkinson, is: Do you think that Bill 26 will cause municipal politicians to simply raise taxes or do you think that we'll see some other changes in behaviour?

**Mr Atkinson:** I fully anticipate, certainly on the part of municipalities, that there will be other options looked at. I would hope, and I'm a little less confident, that the regional council and the school boards will also look at other options. But the coalition exists to represent local taxpayers, and it is our intent to put our views to the region, to the school boards, so that they do take the taxpayers' views into account.

1030

**Mr Hudak:** You had another excellent point, Mr Atkinson, that the municipal politician is always in the public eye. Federal politicians can go to Parliament Hill and we can hide in our offices in Queen's Park, but the municipal politician—

**Mr Phillips:** Maybe you can.

**Mr Hudak:** —whether they're shopping at Niagara Square or on Jarvis Street in Fort Erie, they're always there and they always have to be accountable, around the clock, for their actions. My belief is that the more decisions are going to be made at the municipal level, the more input taxpayers can have, in groups such as yourselves, and working people, who may not have the time to travel to Toronto and Ottawa but follow that. Would you agree with my thoughts in that area?

**Mr Atkinson:** Yes. I'm much happier with control and power being in the hands of local politicians to a relevant degree than having it far distant in Queen's Park or, worse still, in Ottawa.

**Mr Hudak:** One of the mandates of this government that this bill tries to address is to restore hope and opportunity to this province, to bring jobs back again to Ontario and especially here to the Niagara Peninsula. Do you think, sir, that Bill 26 is a step in the right direction in terms of restoring hope, opportunity and job creation? And how will it do that?

**Mr Atkinson:** Definitely, yes, 100%.

**Mr Hudak:** Mr Atkinson, further, how do you think this bill will help restore hope and opportunity to Ontario again?

**Mr Atkinson:** Primarily by reducing taxation levels. The coalition, beginning in 1990, documented many circumstances where businesses decided that they could not function profitably in Ontario, and we had a lot of people heading over to the States. In fact, we even documented quite a number, and for a time we had an advert which said that the government of Ontario is the best advertising agent for Buffalo, New York.

**Mr Bradley:** My impression is, and I think it's correct, that you see the provincial deficit as being an extremely important concern to you and your organization. The government has promised to cut provincial income taxes by 30%. That will cost the government of Ontario some \$20 billion over five years. The interest on that will be \$5 billion. Do you believe the government of Ontario should be borrowing money to deliver a tax cut to the people of this province, a tax cut which is likely going to favour those who are in the most favourable financial position?

**Mr Atkinson:** First of all, we have to take a very broad view, in response to that question. Taxation has an impact on people's motivations. When a person works and earns a dollar and ends up paying 60 or 70 cents of that dollar to government, the motivation to work is decreased. I have personal experience of that situation. Consequently, if we want to motivate people to work—and that is, to my mind, a most essential feature—then the level of taxation must be such that people are encouraged to work, pay a reasonable share of taxes and still feel that it's to their personal benefit to put in major effort. From that point of view, a tax reduction could be seen as a step in the right direction.

**Mr Bradley:** So you support the government of Ontario borrowing \$20 billion and paying \$5 billion in interest rates to be able to deliver this tax break?

**Mr Atkinson:** I didn't say that.

**Mr Bradley:** Well, that's how they deliver it.

**Mr Atkinson:** I have said that a tax reduction could be a major motivating factor in the lives of individuals. The second part of my response—you jumped in just a little too fast there—is that you could quite rightly do an analysis of how much tax reduction would provide what kind of increased job opportunities, increased economic production, and set that against the cost of the tax reduction. Obviously, there's an optimum in there, and an economic study would define that optimum. I'm sure that many of the economic research organizations could conduct that and come up with an estimate of where the optimum lies.

**Mr John Gerretsen (Kingston and The Islands):** Very quickly, sir, the reason why people aren't working in the province isn't because of the tax rate that's being charged; it's because there aren't any jobs out there. Just ask the half a million people who are unemployed right now.

Secondly, sir, I have a great belief in the local government. I was a municipal politician for 16 years and mayor for eight. The problem is, the deal was this, sir: We give



less in grant money to the cities and the municipalities of this province, and we give you more taxing power. Mayor after mayor after mayor feels that they need that power in order to effectively run their municipality. So whether you like to believe it or not, if you expect to get the same kind of services municipally you are now, you're going to have to pay more in user fees and in taxation, and that's a fact. Regardless of whether or not these people on the other side want to fudge that, that's an absolute, given fact. Just consider that, sir.

**Mr Atkinson:** I'm very happy with that fact, because that puts the power to purchase in my hands. I would much rather spend my money for the things that I want to have rather than give that money to a faceless body that is going to spend it as they see fit. Spending my money is my prerogative, not somebody else's.

**The Chair:** Thank you, gentlemen, for coming forward and making your presentation to the committee today.

**Mr Kormos:** On a point of order, Mr Chair: I note that the Fort Erie Native Friendship Centre was denied access to this committee. Why does this committee not want to hear from aboriginal people?

**The Chair:** Again, Mr Kormos, there was a process that had been agreed to by all three parties. That determines which people end up presenting from a list of people.

**Mr Kormos:** They were the only aboriginal group that requested, and it was the only one that was denied.

**The Chair:** That's the process that all three parties agreed to.

## PROJECT SHARE

**The Chair:** May I please have a representative from Project SHARE come forward. Welcome to the committee. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of committee members and for Hansard.

**Ms Roxanne Felice:** I am Roxanne Felice, the executive director of Project SHARE. On my right is Amy Begnucolo, the president of our board of directors. On behalf of the board of directors, staff, members and volunteers of Project SHARE, I would like to thank you for the opportunity to participate in these hearings. Let me first give you an overview of what Project SHARE does.

Our mission statement reads, "Project SHARE is committed to helping people who live on low income in the city of Niagara Falls through programs that involve and assist with providing basic needs. The programs are designed to create positive, proactive alternatives in order that people can help themselves and their families with dignity in times of crisis."

Project SHARE is an acronym for support, housing, awareness, resources and emergency. Project SHARE of Niagara Falls is a non-profit social service agency assisting and involving individuals and families who are primarily residents of Niagara Falls.

Project SHARE has adopted a multi, one-stop-shopping action model. Programs are positive, creative and take a proactive approach. All programs are of a self-help nature, empowering consumers to use the services.

The criteria for using the service are based on two factors, (1) being a resident of Niagara Falls; (2) if your income falls below the poverty line. Consumers must show proof of income to qualify, and the poverty guidelines that we use are from Statistics Canada.

Project SHARE provides the following programs: a food cooperative, emergency food, a housing help centre, emergency services that provide accommodation, transportation and utilities, support and advocacy, public education and Christmas baskets. We also assist with providing cereal to the children's breakfast programs in Niagara Falls, bulk supplies to collective kitchens, reports on poverty and hunger in Niagara Falls, and we distribute bulk food supplies from national suppliers to other food banks in the region.

Most significantly, in the years 1989 to 1994, the agency saw over a 300% increase in demand for service. In the first six months of 1995, we started to see our statistics stabilize and we were quite happy about that. In some months we even saw a decrease in people needing service. Since October 1995, after the social assistance payments were cut by 21.6%, we have seen a staggering increase. In October 1995 we saw a 33% increase over October 1994. November saw another 16% increase. In the past our highest numbers have been in the winter months, that of January and February. Therefore, I would expect to see a higher number in 1996.

## 1040

Inadequate income and lack of employment opportunities in our community are the reasons for our increases. We have great concern about the state that human beings are in in our community. Families that have never had to ask for help before are coming to our agency, often desperate and destitute. This desperation has no dignity attached to it.

To date these problems are experienced in a very quiet way. Being hungry, homeless or in crisis are often hidden problems in our community. We attempt to be a voice for these people. We have become storytellers of those who fear for their livelihood. We think everyone now knows someone who has lost their job, employment, house and dignity.

Lack of income is a dilemma to those who are suffering. Families are often not a unit any more. Churches are stretched to their limit and municipalities are facing deficits. We know the solution lies with everyone working together. However, this does not exclude government. We wish to work together and not blame one another for the problems that are now facing Ontarians.

We have one major concern with Bill 26, and that is the impact of fees for service. The fee for prescriptions and dispensing fees will put extreme hardship on those families with children and on seniors, both of whom in many cases rely on some form of social assistance. We have survey data that tell us that families are already spending over 60% of their income on rent. Extra fees will be impossible for families to manage. Children will definitely be the ones that suffer the most.



If this bill passes, municipalities could choose the option to implement user fees for services. The impact on the most vulnerable people in our community will be enormous. People on low income often use recreational facilities that are free in order that their children and themselves have options for recreation. Fees for library use, for instance, will be difficult to pay. This often is the only outlet for families. Possible user fees for garbage pickup, snow removal or police or fire services will be devastating for the poor in our community.

Another fee that could be instituted could be concerning the issue of transportation. Transportation costs are high in Niagara region, especially for those who live in Niagara Falls, who often need to go to St Catharines for appointments. If transit and bus fares rise, people will become isolated and be unable to meet these needs.

The ability to access information is another issue which we have serious problems with. Instituting user fees to access information, records or reports will place hardship on those needing information. This will affect consumers and also non-profit agencies. These fees will make it improbable to receive information that is needed.

Fees for services in every sector will be a serious problem for those who are already facing difficulty in feeding their family. At present in Niagara Falls, 43% of the people we serve at Project SHARE are children. These children often go without necessary nutrition, suffer more health problems, and have limited recreation offered to them.

In conclusion, we believe that user fees are a regressive measure. The wealthy would be asked to pay the same as the poor. This is an unreasonable method to pay for services, as the most vulnerable in our community will suffer the most. It is the impact on these individuals that is our greatest concern.

User fees mean that families and children will do without necessities. All evidence shows us that our recipients have exercised stringent control of their spending, have sold possessions, and have very little left to survive.

We believe that if this legislation is passed with such limited input from the public, it will create devastating, lasting social deficits in our province. We therefore ask you to reconsider the direction of user fees that Bill 26 endorses.

I thank you again for the opportunity to express our concerns.

**The Chair:** We have about seven minutes for questions per caucus. We'll start off with the government caucus.

**Mr Terence H. Young (Halton Centre):** Thank you for an excellent presentation. I admire and I'm sure I can speak for members of my caucus who admire very, very much the work that you do. I know it's heartfelt and I know it's not easy. So I admire you very much.

I don't think that Bill 26 endorses user fees. It allows municipalities, if they want to bring in user fees for specific things, they can, but I don't think it necessarily endorses user fees. But I share your concerns.

In the province of Ontario we have \$100 billion of debt. We're spending another \$9 billion this year that we don't have and it will probably be a little bit less next year. We're trying to turn it around. We're doing what

we have to do and it's not easy. We're spending \$9 billion a year just on interest to service that debt, so we have to make a lot of very tough decisions. The delegations that come before us say: "We know you have to do something, but don't cut us. Don't cut here, don't cut there." Do you have any suggestions where we can find the savings, where we can reduce government spending to make those changes?

**Ms Felice:** I believe, first, that this government needs to listen to people.

**Mr Young:** We are listening and that's why we're here.

**Ms Felice:** I think groups are often labelled as special-interest groups and I believe people form groups because they have public interests. I believe groups like ourselves and others that have things to say need to be heard. That is the dignity and respect all people in this province need. We vote politicians in to be responsible and I think part of that responsibility is to have respect for those who are in the community, all who are in the community.

If some more formal conversation did occur, maybe we would know the vision. I think some of our dilemma in our organization and our board is that we don't know the vision of this government other than to cut the deficit. We don't know the whole thinking of where you are going, and it places a lot of fear and blame in different parts of communities and in the whole province. I urge you to try and stop that.

**Mr Young:** I would be happy to meet with you. I'm sure your local MPP will meet with you. We will meet with you to explain the vision. The purpose of Bill 26 and our primary mandate is to create an environment in Ontario to attract business, new investment and jobs. Would you agree that the best thing that could happen for the majority of your clients is to have a good, permanent job?

**Ms Felice:** Yes, but I don't think at their expense. Like I said, we believe that this legislation is regressive and that the wealthy and the poor are treated the same. We do not believe that is the way to go.

**Mr Sampson:** You represent community groups and people in the area and no doubt you have a pretty active association with the community levels of governments?

**Ms Felice:** Yes.

**Mr Sampson:** Would you say that it would be beneficial to you to have that government stronger, to have more power in that local government as opposed to the other way around? Would it be beneficial to you and your group that you represent to deal with a stronger local government?

**Ms Felice:** The local municipality, the municipality of Niagara Falls: We have a representative who sits on our board. We send in a monthly report and we do have support from our municipality.

**Mr Sampson:** But with respect to, for instance, the allocation of moneys that you could spend and with respect to the activities you perform here, would it be beneficial for you and the people you represent and this community in general to have a local government with more authority and more responsibility for the dollars it spends?



**Ms Felice:** It could be. Fifty per cent of our own budget is fund-raised through community efforts. So we have contact with a very large representation in the community. I'm not sure. Amy, could you comment?

**Ms Amy Begnucolo:** I think the response or the answer he's looking for is yes. We're not too sure, but I think controlling your own future, of course, in your area makes sense.

1050

**Mr Sampson:** Yes, kind of like controlling your own destiny as opposed to somebody—or maybe three levels of government kind of pointing fingers at each other saying, "No, it's your responsibility," or somebody else saying, "No, it's your responsibility." You'd like to know who it is who's responsible to deal with that issue, wouldn't you?

**Ms Felice:** I think so, but I also think this bill is more far-reaching and has far more ramifications even for us at this point to answer yes or no. Yes, we like to have some control over our own municipality, and for the citizens of Niagara Falls, I think that would be a yes. To say yes and try to endorse the whole bill I think would be unacceptable for us to do at this time.

**Mr Sampson:** But that being perhaps the theme of one aspect of the bill, that would be something you'd be prepared to endorse, as a theme of that aspect of the bill.

**Ms Felice:** Yes, possibly.

**Mr Sampson:** Because it would help you. It would help you deal with the situation.

**Mr Bradley:** Don't let him fool you.

**Ms Felice:** Yes, I know.

I think to take this one section is very difficult at this point.

**Mr Bradley:** Very clever.

**Mr Sampson:** I'll pass to the clever municipal politicians over here.

**The Chair:** We've come to the end of the government caucus's time, so we'll move to members of the opposition.

**Mr Dominic Agostino (Hamilton East):** Let me say that I fully agree with the presentation, the content of what Project SHARE has given to this committee today.

As the Community and Social Services critic for the Liberals, we have heard the points you have talked about constantly since June. I'm astonished that you're sitting at one end of the table talking about hungry children, talking about people being homeless, about people being on the street, and our friends across the floor are talking about the debt and are talking about the fact that we've got to bring this debt under control even if it's on the backs of hungry children across Ontario.

My friends across the floor talk about this bill helping you; that somehow this bill is going to help the people you represent; that somehow a single mom with a couple of kids is going to benefit by a municipality now having the power to impose more massive user fees, on the swimming pools, on the libraries, on garbage pickup; that somehow they're trying to tell us that it's going to benefit the needy in Niagara, in St Catharines and across this province.

I think it's almost embarrassing the way you've been treated and the attempt to try to get you, at their end of

the table, to somehow go on record as saying that you agree with this bill that continues to impose the most regressive, cruel, meanest attack on the needy that we have seen in the history of this province.

What this government has done since June, and continues with this bill, is to devastate what has been 40 years of progressive social policy across Ontario. They have continued to beat up on the poor, they've continued to beat up on the disabled, they've continued to beat up on senior citizens with user fees, and then to have the nerve to suggest that somehow Bill 26, in giving municipalities this total blank cheque to impose user fees on anything that moves, breathes or makes dust is going to help the needy, I think is an insult to every Ontarian and to every person who needs help from this government.

The Minister of Municipal Affairs, Al Leach, made a comment in the House, and I'd like you to respond to this. He said, "I am encouraged to hear that Mayor Lastman plans to seek corporate sponsors to sponsor such activities as library use and others." Do you believe that children who cannot afford the user fees that would be imposed should have to rely on the goodness and the will of maybe some corporate sponsor who maybe out of the goodness of their heart will cover off their cost or subsidize them for them to be able to access a local library, or should every child, regardless of income, regardless of where they come from, have free and total access to our library services across this province?

**Ms Felice:** I believe they should be free. I'd like you to try to take into consideration really what is happening here to poor people, especially who are on social assistance. There is no money in many cases left over to buy food. They are incapable in many cases of feeding their children. A free service like being able to go to the library or swimming or to a park is needed to have some quality of life for these children. I really think that is the essence of our presentation, that we would like you to see how these kinds of things would affect people on low incomes. They're already coming to a food bank. I would ask all of you to try and put yourself in a position to come to a food bank and see how you would feel.

**Mr Gerretsen:** I believe I have three minutes left, because I timed it that time, Mr Chair.

First of all, if you want a suggestion, we've made a suggestion on a number of occasions: Forget about your ridiculous tax cut that's costing the province \$5 billion, which means in effect, to fund the tax cut, they will have to cut \$5 billion more. There would still have to be cuts, but they wouldn't be half as severe as they currently are. That's number one.

Secondly, with respect to municipalities, as a former municipal politician, I'm really getting sick and tired of this. Municipalities want more power, but they also want the dollars and the resources they had before. As I mentioned earlier, you cut off their funding, and the reason you're giving them more power is that for them to deliver the kind of services the local people need, they will be able to impose fees and different taxes etc. That's why you're giving it to them. There's nothing wrong with giving municipalities more power, but you have to give them the resources to do that as well.

An income tax cut: Is that going to benefit any of the people you're working with?



**Ms Felice:** Absolutely not.

**Mr Gerretsen:** Right, so the net effect is going to be that either you're going to have a loss of services or you're going to have to pay. If the municipalities are going to get less money and if they want to provide the same level of service, they will either have to impose user fees or greater local taxation, which will hurt your people more. The bottom line is that your people will be worse under Bill 26 than they would if it wasn't passed.

**Ms Felice:** Yes.

**Mr Agostino:** I want to thank the presenters for what I think was a great presentation and I think we can't lose sight—this is the first opportunity a group like yours has had to come and talk about this impact. This government cut benefits by 21%. They put fees on the disabled and seniors in their prescriptions, and not once did they have the guts to go to groups such as your organization and say, "How's this going to impact you, how's this going to help or hurt the people you represent?" I commend you for being here today. In a warped way, Bill 26 has given the government members, for a change, the opportunity to listen to some of the pain and agony and hurt that your group, and the people you represent, are going through. I commend you for continuing to fight and keep fighting against these brutal cuts.

**Mr Kormos:** They wouldn't let the police come here to make their case. They wouldn't let aboriginal people, be it the native friendship centre—

*Interruption.*

**Mr Kormos:** I'll speak up. They wouldn't let the police come here to make their case. They wouldn't let aboriginal people be it representatives of the Fort Erie Native Friendship Centre or the Niagara Chapter of Native Women come here to make their case. I'm pleased you managed to slip through what was virtually a closed door. We've witnessed already the death of homeless people on the streets of Toronto. My community suffered the tragedy of the suicide of a young mother and grandmother who was a victim of the welfare cuts of Harris's government.

Let me flesh this out for you, and some of us here are not members of the committee. There are four Tory members, plus the Chair, two Liberals and one New Democrat. I'm here visiting because we're here in Niagara region. In addition to what are not unattractive salaries for MPPs, members of this committee—ones who are members—receive a \$76-a-day tax-free per diem, plus a \$23-a-day tax-free food allowance. Four days of that food allowance is more than what Mike Harris told a person on social benefits to live on for a whole month. There is something incredibly repugnant about the proposition in Bill 26 and this committee process when members of this committee in a mere four days receive more for a food allowance than an unemployed poor person is entitled to for a whole month. I find that repugnant.

There's something repugnant about the fact that Frank Stronach, I have no doubt a friend of this government, took home his pay envelope last year in the province of Ontario of \$47 million. That was his pay envelope, yet nobody told Frank Stronach to take a hit, or a 21% reduction in his pay or to help pay off a deficit.

The banks in this province, and the bulk of those profits coming from the province of Ontario, made profits in excess of \$5 billion last year—profits—and are now telling their workers that they're going to be laid off, that they're going to contract, that they're going to restructure the same way this government proposes to restructure. I find something incredibly repugnant about that, because nobody in this government, or quite frankly their friends by way of Paul Martin in the federal government, has told the banks to take a hit or to take a 21% reduction in their take-home.

You and your sister organizations across the region and across the province are coping with incredible reductions in whatever modest grants you might have been able to receive in the past from either municipal or provincial, or on occasion federal, governments. How do you explain to the people you work with—the homeless people, the poor people, the single mothers, to their children—how do you explain, how do you purport to explain, that the members of this committee get more in four days by way of a tax-free food allowance than they're entitled to receive in a whole month to eat on? How do you explain that Frank Stronach gets a pay envelope last year of \$47 million, how do you explain that the banks made over \$5 billion, when they're being told they're going to have to pay for the most basic and modest and traditional of community services, like parks, like libraries, like swimming pools?

How do you explain that they may end up next month, the coldest month of the year, living in a cardboard box, perhaps not just by themselves but with their children too? There are going to be more deaths, and you know it and I know it and this government damn well ought to start realizing it, because I'm afraid the responsibility for those deaths can be attributed directly to them and to nobody else. How do you explain that to the people you work with?

**Ms Felice:** It's very difficult, and in most cases you don't explain. Most families in this situation are more concerned with surviving from one day to the next and in most cases—not all, but in most cases—do not have the energy to think politically. I apologize on their behalf for that, but that is the reality. We at Project SHARE do not feel we're government-bashing. It wouldn't matter right now who is in power. These measures that are taken affect these people in the ways I have explained, and that is our point. In many cases, Peter, people do not have the energy to be able to listen and know the facts that some of us are capable of doing right now.

**Mr Kormos:** A brief response: To compound the tragedy, what the cuts are all about is a 30% tax break for the rich buddies of the Tories of Mike Harris. I'm not a rich buddy of Mike Harris, and I don't know what a 30% tax break will mean for me, and I acknowledge that MPPs make more money than most working people do in the province of Ontario, but I don't want the damn tax break—I don't want it, I reject it—if it's going to mean the pain and the suffering and the injustice that's being propagated right now through the province of Ontario. I can tell you that right now.

**The Chair:** Thank you, ladies, for coming forward and making your presentation.



## CHAMBER OF COMMERCE OF NIAGARA FALLS

**The Vice-Chair (Mr Joseph N. Tascona):** May I please have representatives from the Niagara Falls chamber of commerce come forward. Good morning. Could you just identify yourselves?

**Mr Ted Salci:** Good morning, Mr Chairman. My name is Ted Salci. I'm here today with the managing director of the Niagara Falls chamber of commerce, Mr Glen Gandy. I'm the incoming president of the Niagara Falls chamber of commerce and I'm also the owner and president of a small business, R.T. Salci Real Estate Ltd.

I'm pleased to have the opportunity to address the committee today on Bill 26, the Savings and Restructuring Act, and to give a brief overview of this chamber's position regarding this government's omnibus legislation.

The chamber of commerce is an incorporated body, managed by volunteers with support staff. The objective of the chamber is to maintain and improve trade and commerce and to promote the economic, civic and social welfare of the municipality of Niagara Falls. We represent an interest of over 500 businesses in our community at both the local and regional levels with regard to changing legislation and policies by establishing effective communication between business and government.

With respect to Bill 26, the Niagara Falls chamber is in support of Bill 26, its aims and objectives and its purpose to achieve fiscal savings and promote economic restructuring. It is evident with the deficit in the vicinity of \$10 billion annually that government structuring is long overdue. Strong measures are needed now. It is imperative that the Ontario government get its finances under control. Restoring confidence in government is essential in order to create a climate that is conducive to help business grow, both by expansion and investment in new jobs and in new businesses.

As businesses had to adjust to changing times, so must government. Restructuring is not new to business. Our members are facing this daily in order to be competitive, so government must restructure as well. If we are to survive and once again maintain our position as a province of strength, we must restore confidence, and that will only come through the government restructuring at this point. The chamber believes that there is a need to send a strong message that Ontario wants to work with the business sector to foster economic growth and create jobs, and that is why we support Bill 26.

With respect to the proposed changes of the Municipal Act, the Niagara Falls chamber is concerned that this proposed amendment will allow municipalities the capabilities to impose fees on services already being provided for in the tax base that would not correspond to the value of the service being provided. Already we are seeing indications that such fees are being considered and our concern is that these fees would be solely for the purpose of revenue generation.

In a city such as ours that has to deal with the inadequacy of market value tax assessment, we believe such fees would have a devastating effect on our businesses and community and our ability to create jobs and further growth.

The chamber supports introduction of fees for service, but we are concerned and recommend that Bill 26 and the broad powers given to the municipalities to impose such fees should clearly define that such fees are not to be direct tax for generating revenue but rather revenue needed to supplement a shortfall of taxes necessary to maintain the present service. The chamber is of the opinion that the opportunity to appeal such fees to the Ontario Municipal Board must be allowed.

As we have stated, we support restructuring and the introduction of fees for service, but we are also of the opinion that it should be clearly defined as to the types of fees that may be permitted.

With respect to the general licensing powers, section 17.1, the chamber is concerned that the municipality will view this new part being added to the Municipal Act as another alternative to generate revenue and impose additional regulatory requirements that could impede the ability of business to compete. As in the proposed changes to the Municipal Act, we believe the needs should be defined and clarified.

With respect to restructuring in the municipal sector, the chamber believes that restructuring must take place at the regional and municipal levels. The present method of servicing the taxpayer has become cumbersome and overburdened. We believe that municipalities need the ability to establish private sector partnerships and the flexibility to develop efficient methods among municipalities to deliver all the services required.

We also believe this will only be accomplished by the amalgamation of municipalities. The Niagara Falls chamber supports Bill 26 and the amendments to the various pieces of legislation that are necessary to restructure the public sector. The message is there. Government, by its action, is telling the private sector that Ontario is open for business.

Thank you for the opportunity to come before this committee today and to offer the chamber's opinion regarding Bill 26.

1110

**The Vice-Chair:** Is that the completion of your presentation?

**Mr Salci:** Yes, it is.

**The Vice-Chair:** Okay. Thanks very much. At this point in time, we'll have some comments or questions from the three parties. Each party has, I would say, about six and a half minutes each, starting off with the opposition party. Mr Phillips.

**Mr Phillips:** I appreciate the chamber's position. I don't mean to be unfair, but most chambers have come and they're very supportive of the title of the bill. We've had unanimous support for the title. But when we get into the detail of the bill, virtually every chamber has expressed some significant concerns about the content of the bill. I just wonder if I'm interpreting you properly here.

As you know, on the licensing side of this, essentially what the bill does is it will provide virtually unlimited flexibility for municipalities to change the way they license businesses. We heard yesterday the mayor of Guelph is looking forward to the bill because licences that used to cost \$20 will now cost \$500.



As a matter of fact, in the bill it says under the licensing provisions that the municipalities can require the payment of licence fees which may be in the nature of a tax—may be in the nature of a tax. It's possible that, for example, you could say to local business outlets: "You are selling so many packages of something or other. We will tax you per package of what's sold." Also, it says that if there's any conflict in this between any provision and any other section of this act or any other act, the section that is the most restrictive of a local municipality's power prevails.

I just want to make sure you understand that. In other words, municipalities say they need this because the deal that was struck between the government and the municipalities was: "You cut our transfer payments;"—the amount of money the province gives to the municipalities—"we want unlimited flexibility on licence fees and we want unlimited flexibility on other fees."

That's not me speaking. Virtually every mayor who has come before us has said, "Get this bill passed right away because we need to impose all sorts of new fees to compensate for the cuts in funding." That's not me; that's the mayor of London, the mayor of Mississauga, the mayor of North York, the Metro chairman, the mayor yesterday of Guelph. The mayor of Mississauga said, "We're going to hold property taxes, but we're looking forward to a gas tax to fund our inter-boundary transit systems."

I just want to make sure I've interpreted the chamber's support for the bill properly. Are you supportive of those unlimited powers in the licensing area?

**Mr Salci:** We expressed our concerns that the introduction of licensing fees, and maybe we've incorporated this in the general comments, but we don't want the introduction of fees to replace revenue that would really be generated by tax.

We said that we are concerned that the proposed amendment would allow municipalities the capability to impose fees on services already provided for and that will be provided for in the tax base. We know that the government needs money to operate, but we expect the government to be responsible. I think our chamber's position is that we appreciate the fact that the government is now becoming more responsible and doing what it should be doing in terms of cutbacks that are necessary.

**Mr Phillips:** On the fee one, Deputy Mayor Hopcroft from London—because the mayor couldn't present; she happened to have a scheduling problem—told the committee he welcomes the ability to introduce new user fees and impose direct taxes. In fact, he was very angry about delaying this bill for four weeks because he said any delay will undermine London's ability to charge new fees.

In the briefings we've gotten about this bill, it says that the intent of the bill is to provide what they call "unlimited flexibility to impose new user fees." It's clear that no municipality has said, "We're going to reduce property taxes and charge fees." They are looking to the new fees to replace the cuts in the provincial spending. In fact, it is pretty clear, according to the legal opinions we've had, including the government's own opinion, that this bill permits the imposition of a direct tax.

Would your chamber be in support of this bill if it permitted the imposition of a municipal gas tax, a municipal sales tax and virtually unlimited flexibility with new fees?

**Mr Salci:** I think you should be aware that Niagara Falls is one community that is probably exceptional in that the municipal taxes in this city have been held back to a zero increase for the last several years. The imposition of increases in taxes comes by way of regional governments and also by way of school boards.

This city has undertaken measures that we support as a responsible operation or administration would, and we do have concerns, yes, that the introduction of licensing fees or user fees would be implemented to replace tax dollars. However, in our municipality we have an administration that has seen the problem and has dealt with the matter and has cut back. I don't think anybody wants anything for nothing, but I think we support the idea that government must have funds to operate but should not require excess licensing fees to substitute for tax revenue.

**The Vice-Chair:** Next, to the NDP.

**Mr Silipo:** I want to pursue this discussion because I think, and as Mr Phillips has pointed out, one of the things that was a little puzzling was the approach we've had from a number of chambers of commerce coming before us and saying, "We support the bill," and then you go on to list a number of things that you don't support. I guess I'm left a little bit puzzled as to what it is in the bill that you support.

I understand your clear support for restructuring as it relates to amalgamation. Beyond that, what is it that you support in the bill?

**Mr Salci:** We're saying to you that we're concerned that we don't substitute tax revenue or tax deficiencies by increasing licensing fees to an unreasonable point. I'm not necessarily differing from some of the concerns that you may share. We do support the bill in general, and I'm talking again with respect to the government's approach now with regard to value for service and in respect to required fees for services rendered.

**Mr Silipo:** But is it fair to say that for you to be completely comfortable with this bill, or even comfortable, there would have to be some significant changes made, I presume by way of amendments, that would limit the licensing powers, the extent to which those fees could be used, or the taxing powers that might flow to municipalities?

**Mr Salci:** I believe so, appropriate changes, and I think that's the purpose of our attendance here today.

**Mr Silipo:** In terms of the restructuring and your support for amalgamation of municipalities, is there more that you can say to us in terms of what you would envisage might happen here in the Niagara area?

**Mr Glen Gandy:** If I may respond to that. In the regional municipality of Niagara Falls we have, I believe, 12 different municipalities, all of them worried about the same problem: where their funds are coming from. This goes further than just the operation of the city hall; it goes right into the public utilities, the police departments, fire departments and all the services that are being provided by the municipalities.



We think, like everyone else today, that government spending got out of hand and that certain controls had to be put in place. In order to do that, you can't have all the administration that we have in a population of 365,000, I believe, here in the city or the region, and have more elected officials than you have in the province of Ontario. That just doesn't make sense.

So of all the questions that have been asked by the presenters before you, we're saying a service fee, for example, is appropriate provided there's not a tax being charged for it at the present time. You can't replace good government by just charging service fees to generate revenue, and that is what we're trying to say here.

**Mr Silipo:** I want to come back to the restructuring issue, if we have time. How would you deal, on the issue of user fees, with the concerns that were expressed to us by the previous presenters—I don't know if you were here to hear them—about what that does to people who are living at or below the poverty level, that a \$1 or \$2 fee to use the skating rink or to borrow a book is not a luxury that they quite frankly have?

1120

**Mr Gandy:** I think that's why the chamber has indicated quite clearly that each service fee that is going to be applied or could be applied or is requested to be applied by the municipalities should have some form of appeal. It shouldn't just arbitrarily be carried out.

**Mr Silipo:** On the question of restructuring, is it safe for me to assume that if there was going to be any serious restructuring of municipal governments here in the Niagara area, you would expect the chamber to be involved in that process in discussions?

**Mr Gandy:** We would hope we would be. If we weren't asked to be, we would certainly try and participate, no matter what.

**Mr Silipo:** You might want to take a look, then, at the provisions in the bill that relate to restructuring which give virtually no assurance of any public process, of any public discussion or any public input and would just allow municipalities to either submit proposals or, through the establishment of a commission by the minister, have changes imposed without any public discussion.

**Mr Gandy:** That, again, would be reason for us to present ourselves again, when that took place.

**Mr Silipo:** The only other point, if there's time: You said earlier that Niagara city council—I think that's whom you were referring to; correct me if I'm wrong—has been fairly prudent in the way in which they've gone about dealing with property tax increases. I'm assuming that in previous years they would have had to deal with, just like other municipalities, relatively minor cuts from the province relative to what they're doing now—1% or 2% cuts. My understanding is that what they're looking at this year is a 2½% cut in grants from the province.

How do you think they're going to be able to continue the approach that they've taken in light of that pretty significant cut relative to what they've had to deal with in past years?

**Mr Salei:** I don't have the exact answer as to what the mayor has decided. However, this has been dealt with recently, and in our recent discussions with the administration they anticipated the tax cuts that were coming.

They were a little more severe, obviously, than was actually anticipated. I believe they're going to have to look at maybe cancelling some improvements. That was the comment that was offered to us, so maybe some streets and replacements may not take place this year and have to be deferred. I think those are responsible measures that the administration is undertaking.

I believe that our elected municipal officials, through the direction of the mayor, have made certain that the moneys have been spent wisely. They've looked at the budget deliberations. They sent budgets back and they cut where they thought was necessary. So yes, it's been fed right down the line, and we believe they've been responsible and we've lauded their efforts for that.

**Mr Gandy:** If I may, hopefully part of the solution to all this is that if here in the peninsula we can keep our costs down, like the rest of Ontario, we'll be able to retain the business that we have to date and attract new. That has been one of the biggest problems we've had to date.

We are in a worldwide competitive business these days, and if we don't have people who can generate dollars, businesses, and they're leaving to go elsewhere, then we are in a more serious problem. But we believe that this bill will send a message, as has been pointed out quite clearly, that business can come here, can locate here. We're interested in your expanding here and we want to see new business. But if we continue to have to increase those taxes, then we're in big problems.

**The Chair:** The government side.

**Mr Tom Froese (St Catharines-Brock):** In fairness to that point you just made, in your opinion how do we, in the province of Ontario, go about stimulating the economy as far as attracting of businesses and jobs to the Niagara region is concerned? How do we do that? Does the government do that? Does the private sector do it? Do individuals do it? In your opinion, how do we really go about doing that?

**Mr Gandy:** I think we have to work in concert with each other. Right now, what we are hearing from our chamber members, and all businesses alike, is that the cost of operating here in the peninsula—and that's what I can address at this point—is just getting out of hand. It's very difficult for them to even retain here. Expansion doesn't take place because they're competing with their partners around the world. So we have to keep our costs down; we have to work with government to try and help them reduce their costs so that we can create more business that will create the wealth and the jobs that will flow from that. That's our belief.

**Mr Froese:** So what you're saying is that in order to stimulate part of the economy, keep the cost of government down so that business can create jobs. Is it the government's role to create the jobs, in your opinion, or is it the private sector?

**Mr Gandy:** I don't want to sound facetious here, but I don't know of many governments that have created a job, nor do I know of economic development departments or mayors or MPs. I don't mean that in a facetious way. The only ones who are going to create jobs are the business people, entrepreneurs, out there. They have to have the environment that's conducive to doing that.



**Mr Froese:** So in order to create that environment and to create that stimulation, would you not agree that giving money back to the people, so that they spend it and it is not the government spending it, would be a good way to do that?

**Mr Gandy:** I believe what you're talking to is the tax rebate that has been promised by the—

**Mr Froese:** Whatever.

**Mr Gandy:** Certainly, we've found that people today are ultracautious. They don't want to spend any money. The 30% that you're talking about, I know there are probably a lot of people who would spend that money and it would go back into the economy. There are a lot of people who have expressed that if it's of any value to our government, to hold back on that 30% and pump that into creating jobs; that's a different thing too. But to answer you directly, yes, I believe that 30% discount and putting money in the bank will certainly help that consumer out there.

**Mr Bradley:** Even if we have to borrow it.

**Mr Froese:** You are business people and I was a businessman as well. If you were faced with the situation that we are as a province, where we're spending \$1 million more an hour than we're taking in, where 70% of our budget from the provincial level we don't control, what would you do as a business? Would you not do similar things, if not the exact same thing, under our restructuring: to look at every aspect of every part of your operation to ensure that you get it in the black, in a positive light?

**Mr Gandy:** Absolutely. That's why we're in support of it. In fact, if business had been operating the way governments have in the past, we wouldn't be around.

**Mr Salci:** Mr Froese, I'd like to suggest to you that—I'm sure you're well aware, being a small businessman—we've done this for the past several years and we've had to do things necessary in business to survive. Down-scaling our costs or eliminating unnecessaries have been part of our everyday effort. Our banks expect it. Certainly the bottom line has been drastically affected. We wouldn't be here if we were spending money like the government had been spending money.

**Mr Hudak:** Gentlemen, thank you for your presentation. I'd like to address another part of the bill and get your opinion on it: schedule Q, with respect to arbitrators. An earlier presentation spoke to the fact that public sector wage and benefits increases have been well out of line with the private sector. What is your opinion on the provision that asks arbitrators in public sector contract negotiations to look at the ability of local governments to pay?

**Mr Salci:** As an entrepreneur, I support that part of the bill. Obviously, we shouldn't be held for ransom to pay excess costs and levels that we can't afford. We can't do it in our business and we don't think governments should be as well, so the government should not be held for ransom. The fairness of an arbitrator, we believe, is reasonable.

**Mr Hudak:** Excellent. If I could ask one more question, Mr Chair?

**The Chair:** You have about 30 seconds, Mr Hudak.

**Mr Hudak:** Some groups that have appeared before this committee, instead of supporting the bill and the

reduction of government spending, have advocated tax increases. As somebody who has been well in tune with the job market over the last five years—the government had increased taxes 32 times, increased spending—what was the experience in Niagara Falls businesses with the kind of tax-and-spend governments we've had in the last five to seven years?

**Mr Gandy:** I think it's quite evident. You've seen no expansions take place because of that, and that's again why we're here today. You can't go on that way.

**The Chair:** Thank you, gentlemen, for coming forward and making your presentation to the committee today.

May I please have representatives from the Niagara South Ontario Public School Teachers' Federation come forward.

**Mr Kormos:** Mr Chair, if only Brian Mulroney hadn't brought in the free trade agreement, we wouldn't have—

**The Chair:** That's not a point of order or a point of privilege.

1130

#### NIAGARA SOUTH ONTARIO PUBLIC SCHOOL TEACHERS' FEDERATION

**The Chair:** Welcome to the committee, Mr Ford. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain questions and responses from the three caucuses. I'd appreciate it if you would introduce yourself to the committee members for the benefit of committee members and for Hansard.

**Mr Dale Ford:** Thank you very much, Mr Maves. My name is Dale Ford. I'm president of the Niagara South Ontario Public School Teachers' Federation. I've been a teacher for 24 years. I'm a local person; I've been here all my life. I have degrees from Brock University as well as a degree from Buffalo State, and I'm an adjunct professor from Drake University.

On behalf of the members of the Niagara South Ontario Public School Teachers' Federation, I would like to thank you for the opportunity to appear before the standing committee on general government to present our views and concerns regarding Bill 26, the Savings and Restructuring Act.

Our members are the teachers of Ontario's publicly funded elementary schools. I am here today because I believe in parliamentary democracy and because part of the task of our profession is to educate the children and youth of Ontario about its values and process.

With Bill 26, the government is moving too far too fast and with too little open debate. We cannot accept this as a legitimate way to do the government's business. Bill 26, tabled on November 29, 1995, introduces a new strategy of government: Change 44 laws and statutes in hundreds of ways in the name of increased efficiencies and savings. It bundles the changes together in a great tangle, makes those changes with only minimal public hearings and without the separation of the whole into its parts.



I suspect the government is taking this approach because, examined separately and carefully, some or many of these changes will cause public concern and outcry. As vast as it is, Bill 26 does not address the number of issues announced on November 29, such as the changes to entitlement in funding for junior kindergarten and for secondary school programs for adults over 21. As the president of the Niagara South Ontario Public School Teachers' Federation, I wonder what the next omnibus bill will bring.

Finance Minister Eves defends the government's actions by saying unprecedented circumstances call for some very decisive action to bring this expenditure and debt we have in this province under control. I say that the need for decisive action does not cancel society's entitlement to frank and open debate and to have the opportunity to understand fully what changes are being proposed. I would like to highlight some of the changes included in this legislation and their ramifications for the society in which we live.

**Collective bargaining:** The premise of the amendments contained in schedule Q to the School Boards and Teachers Collective Negotiations Act governing arbitrators is that education costs in Ontario are unjustifiably high and that therefore arbitrators must be instructed to keep compensation settlements low.

Paragraph 2 requires arbitrators to consider "The extent to which services may have to be reduced, if the current funding levels are not increased." Arbitrators heeding this section would take on the powers that democratically elected and accountable boards of education normally exercise in deciding the appropriate level of service that will be delivered. No arbitrator should venture anywhere near this essential area of board jurisdiction.

Paragraph 5 is equally disturbing, requiring that an arbitrator consider "The employer's need for qualified employees." What possible justification is there for an arbitrator's intrusion into an area that has been established through careful, sometimes regulated, practice that relates the level and type of qualifications to the type of service delivered?

When the Conservative government of Ontario introduced similar requirements in the Inflation Restraint Act of 1982 for public sector arbitrators to take into account the employer's ability to pay and the province's financial situation, those provisions of the legislation were the subject of a complaint at the International Labour Organization in Geneva and were the subject of a ruling in favour of the employee organizations in 1985.

Several respected arbitrators, including Owen Shime, Mr Justice George Adams, Kevin Burkett, Kenneth Swan and Martin Teplitsky, have all clearly challenged the validity of such a requirement in the arbitration process, noting that it has always been a part of the evidence which employers could introduce.

The requirement to apply the ability to pay has been criticized by arbitrators as nothing more than a code for "willingness to pay." In effect, this provision of the bill allows public sector employers to impose wage control through another means. As with many other provisions in Bill 26, the government is offloading the responsibility to implement its policy to other agents while centralizing

more and more control and authority over public policy in the government.

Teacher-board negotiations have always reflected the economic condition in the province and, more importantly, in the local communities. There is no need whatsoever for the amendments to the School Boards and Teachers Collective Negotiations Act contained in schedule Q.

**Health:** As a member of the public, I'm concerned about the provisions of the bill which affect access to confidential records by the Minister of Health. Other proposed changes, such as deregulation of drug prices, privatization of some health facilities, ending the preference for non-profit facilities and for Canadian ownership, threaten the fundamentals of our health system. The legislation would allow the minister to close hospitals unilaterally.

Terence Corcoran of the *Globe and Mail* described Bill 26 and its health provisions as "the ominous bill, a draconian power grab by the Health minister. The changes for doctors are the most extreme coercion imposed on any group of employees since able-bodied men were drafted into the military."

**Municipal restructuring:** Section 8 of schedule M amends the Municipal Act to give the Minister of Municipal Affairs much greater powers to restructure municipalities and, I assume, school board boundaries. The amendments refer to various municipal structure, including "boards" as defined by the Municipal Affairs Act.

School boards are included in this definition. Despite a few well-publicized exceptions, local school boards have served the province well. Such a structure should not be abandoned lightly in the name of short-term fiscal expediency, and this bill must be amended to remove school boards from that definition.

The Ontario School Board Reduction Task Force has been working since early spring on a report for the Minister of Education and Training. How will the amendments proposed in Bill 26 affect that work? We are convinced that Bill 26 will be in place with the power to dissolve school boards before the government has listened to its own recommendations from the task force.

There are amendments which will make the privatization of municipal utilities and the imposition of new user fees much easier. Previously, the privatization of public utilities, including electricity, water, sewer or transportation services, required the holding of a municipal referendum on the issue. Schedule M has the potential for radically reshaping the face of public life in Ontario communities across the province.

Power-hungry municipal councils could take unto themselves total jurisdiction over decision-making affecting every local citizen. Municipal reorganization will no longer require public involvement. There could be an erosion of standards and services and the downloading of costs to the municipal ratepayer through bylaws enacted to provide for fees and charges.

The impact of user fees will lead to disparity across the province, pitting municipalities that will impose fees against municipalities that may be able to afford to raise taxes. Where will our provincial community standards for service and infrastructure be? How attractive will Ontario



be without good roads, garbage collection, water treatment etc?

1140

**Pay equity:** The amendments to the Pay Equity Act contained in schedule J remove proxy comparisons for public sector employees lacking appropriate comparator groups. It will affect thousands of child care workers, others in health care, seniors homes etc. This is an unjustified and retrograde step. Schedule J violates all standards of fairness and fundamental justice. The proposed changes in these provisions will continue the ghettoization of women.

**Freedom of Information and Protection of Privacy Acts:** One of the great advances in the area of civil rights that recent governments have initiated is legislation governing freedom of information and the protection of privacy. By giving the public access to information that is in the public domain, either as an individual citizen or through the vehicle of the media, potential abuses of power that depend on secrecy and suppression of vital data can be avoided.

Schedule K allows institutions covered by the legislation the ability to deny access on the ground that a request is "frivolous or vexatious." All costs associated with a request can now be charged to the individual making the request. Tom Wright, Ontario's Information and Privacy Commissioner, has suggested that the proposed changes threaten the fundamental right of Ontarians to know what is going on.

The debate about this legislation is about public scrutiny, public debate, public knowledge and consent. A fundamental tenet of democracy is an informed electorate. This legislation not only doesn't facilitate informing the people of Ontario, it creates barriers. The Information and Privacy Commissioner has also expressed his concerns about the effects of the changes on access to confidential health records.

**Conclusion:** We are experiencing at first hand a lesson in Ontario civics in 1996. This legislation transfers power from community institutions like school boards and hospital boards to centralized provincial bureaucrats and allows the cabinet to impose its will over a broad swath of Ontario public life without seeking legislative approval. The legislation itself and the government's insistence on speed before public consultation debate demonstrates disdain for the citizens of the province.

As teachers, we would not treat students or parents in this manner, nor should our fellow citizens be subjected to bullying. It is incumbent on a government that is truly committed to governing democratically to respond to the public. It is clear that the complexity of this bill is confusing to even the government's own ministers. It is astounding that those who will be responsible for the administration of the laws created should this bill pass in its present form have so limited a knowledge of the legislation.

The government should withdraw this bill and reintroduce it and its schedules as separate bills. Bill 26 should be broken up into manageable sections with a longer period for discussion. More time is needed to assess properly the contents and the effects of this proposed legislation before its passage.

I am concerned about the lessons this government is teaching our students about the exercise of power and disregard for the democratic process. According to Lord Acton, "Power corrupts and absolute power corrupts absolutely."

It is disturbing that this government, which was able to develop a 211-page document with little or no input from the groups affected, shrouded in secrecy and hell-bent on passage, didn't plan to schedule public hearings. The people of Ontario deserve more. They deserve the opportunity to understand what these changes are and to voice their opinions about the acceptability of the proposals.

On a personal level, even though I voted for you and I respect that the Progressive Conservative Party was elected by a majority of voters who clearly wanted change, I'm worried that the current pace and sweep of change will create long-term problems in its wake. I understand the province is in a fiscal crisis that you are trying to fix, but I'm disturbed by the legislating of tools that allow unnecessary broad and invasive powers that could be misused.

Rather than giving the people a sense of government in charge, there's widespread anxiety that this ominous omnibus bill has fanned. If you're so confident that the revolution you propose is a matter of common sense, why don't you trust that you're able, through consultation, deliberation, argument and persuasion, to take others along in this vision?

**Mr Gerretsen:** An excellent question.

**Mr Kormos:** But will there be an answer to the question?

**The Chair:** Thank you, Mr Ford, for your presentation. We have five minutes per caucus for questions, beginning with the third party. Mr Silipo.

**Mr Silipo:** Thank you very much for the presentation. I have to say I think you left the best gem for the end. I think the fact that you're someone who voted for this government, presumably believing it was going to move the province in a direction that you obviously support and thought was necessary, and you're now sitting here before us telling us that you're very concerned about the way in which they're going about doing this, I think is something that hopefully the government members will listen to, because we have seen a tendency in this process, as we've seen generally by the government since its election, to categorize anyone that opposes them as simply being another special interest group that is trying to hold out for its own particular interest. I think what you've done on behalf of your organization is to flag for us a number of significant concerns that certainly we've heard during these hearings.

I want to just spend a second on this question of the process and particularly your point about what this is teaching our young people, because I think that sometimes we tend to be accused, as parliamentarians or any of us that are interested in the political process, that somehow this concern that we have with the democratic process is kind of either a frill or is something that we are just interested in. But it really is fundamental, as we see it, to the way in which we are governed as a society. In fact, it is one of the things that makes us a good and healthy society: that we have a process of government



that allows for the public to be involved before final decisions are made. That takes nothing away from the government of the day having the right to, at the end of the day, pass whatever laws it deems fit.

One of the things that's continued to trouble me about the Conservative government members is that they think they consulted during the election and that therefore they don't need to consult any further on any changes. Do you have a comment on that?

**Mr Young:** That's not true at all.

**Mr Silipo:** That's what you've been saying.

**Mr Gerretsen:** You guys have been saying that dozens of times.

**Mr Silipo:** You've been saying that time after time. You put questions to people saying exactly that point.

**Mr Young:** Why do you think we're here?

**The Chair:** Gentlemen, we've got a question.

**Interjection:** We're listening.

**Mr Silipo:** You're listening. Why are you listening? You're listening because the Liberals and the NDP forced these hearings on you. That's the only reason that you're here.

**Mr Kormos:** But you won't listen to seniors, you won't listen to aboriginal people, you won't listen to—there's any number of groups—

**The Chair:** Gentlemen.

**Mr Silipo:** Perhaps I can put the question that you put at the end of your brief. Why do you think the government has so little trust in its ability to persuade people about the common sense, as they put it, of their vision? What are they afraid of?

**Mr Ford:** I won't answer their question for you. My concern was that this is such a broad piece of legislation, affecting many, many laws in such a short time span; the way it was brought in, as you indicated, when everyone else was in lockup with Mr Eves; the last-minute setting up of these public forums; the difficulty in even finding the bill to examine it was a very onerous task. I believe that there was very little preparation and forethought that went into it. I know for a fact my organization at the provincial level was never called upon for any input into this legislation. I've heard from a number of others, the affiliates that were involved, that they had neither been contacted nor briefs sent in.

**Mr Young:** Thanks for coming, Mr Ford. Thanks for your presentation. We were very glad to hear the teachers' views. We've heard, including your presentation today, from seven teachers' unions or their locals. By the time the hearings are finished, we will have heard from 13 teachers' unions or their locals. There are recurring themes and there are nuances, and we'll be listening carefully.

1150

This is a very real process. If I had to guess, and I don't want to prejudge anything, there will be amendments to the bill. Those are the kinds of things we're here to decide. But I did want to ask you, with regard to the arbitrators act, would it allay your fears—actually, I have two questions, if I may. Would it allay your fears if the arbitrators act were clarified to say that arbitrators cannot lower the level of services? That's the first question.

The second question is with regard to school boards. We don't think it's included in the definition of local boards, but would it allay your fears if it was clarified that it's not under the definition of local boards?

**Mr Ford:** To respond to your second question first: Yes. It should not be inclusive of the definition that has come up.

**Mr Young:** That's not the intent. I can tell you that.

**Mr Ford:** As far as your first question about restructuring is concerned, I would have to say that you'd have to—could you repeat that again, please?

**Mr Young:** If the arbitrators' direction says that the arbitrator does not have the power to lower the level of service or the power to order the raising of taxes, would that satisfy your—

**Mr Ford:** Okay. Thank you, sir. I lost my train of thought there for a minute. I believe that it shouldn't be in the purview of the arbitrator at all. I really don't. I think the arbitrators in the past historically have made decisions based on the local communities where the contracts are being negotiated.

**Mr Young:** I'd like to ask you one more question. Have I got time?

**The Chair:** Yes, you do.

**Mr Young:** In Toronto there are 42 hospitals. The Toronto district health council has said: "We're financing far too much bricks and mortar. We have 6,700 empty hospital beds in Ontario. If you put it all together you'd have 30 medium-sized hospitals." So they have said you should close them, take that money, put it into front-line health care, which is what we want to do. But there's no board of directors or governors in any hospital that have a mandate to close. So what would happen if a board of governors put up their hands and said: "We quit. The funding's not there; we just quit"? The bill is designed to give the minister the power to appoint a supervisor the next morning so someone's in control and can make the change happen. That's what it's designed to do. Does that concern you?

**Mr Gerretsen:** Your volunteers are going to be so irresponsible and just say they're going to quit?

**The Chair:** Order, please.

**Mr Ford:** It definitely does concern me. I know in this area, and I can only speak to this area, the hospitals that are in these communities have already sat down together and discussed where there could possibly be amalgamation to save costs.

**Mr Young:** You mean in Toronto or in other communities?

**Mr Ford:** I'm talking about the communities that I live in.

**Mr Young:** And Windsor and London, where we've been. I'm thinking specifically of Toronto, but please go ahead.

**Mr Ford:** I understand that there are negotiations right now determining where they could close the beds, what hospital would specialize in specific health concerns. I think that is fair game.

**Mr Young:** So if there were a sunset clause that said the minister has this power to make these changes and it disappears in three or four or five years, would that address your concern?



**Mr Ford:** That would not address my concern, no. I don't believe that any law that has a time line on it can be changed—

**Mr Young:** That's been the tradition, but we're looking at changing the way government works, as you know. We have 168 school boards in Ontario. One of the school boards has more trustees than schools. We have to make change happen. We're waiting for the Sweeney report. How are we going to make that happen, because, as you know, bureaucracies grow and school boards grow and there's no one to make it happen. How can we make that happen without such a bill?

**Mr Ford:** Okay. My concern was that you were arbitrarily passing this bill before the Ontario School Board Reduction Task Force was even going to make its report. From what I understand, they're going to make that report in mid-February, and this bill in fact could be law by the end of January.

**Mr Phillips:** It will be.

**The Chair:** Thank you, Mr Young. Your time has expired for the government caucus. I now move to the opposition.

**Mr Bradley:** This morning Mr Phillips, the Liberal member for Scarborough-Agincourt, moved a motion which would require that the government move forward only with the urgent aspects of this bill and that this committee return to Niagara Falls for further hearings which could be arranged within the community. Would you be in favour of further hearings being held on this legislation so that more individuals and more groups would have the opportunity to have input and suggestions brought forward to the government?

**Mr Ford:** I definitely would be in favour of that, Mr Bradley. We're talking about 44 pieces of legislation. I alone today have only talked on maybe five aspects of it. I think there's a definite need for other people to provide that input to the government.

**Mr Bradley:** As a citizen who has observed government and as one who, as you say, voted Progressive Conservative in the last election, did you anticipate when you voted for the Conservative Party that in fact the government would be moving in a direction that would give more power to unelected people and concentrate power in the cabinet and take it away from the individually elected members?

**Mr Ford:** I definitely did not.

**Mr Bradley:** Do you believe that is healthy for democracy to have in fact the Premier's advisers, the advisers to the ministers and bureaucrats with far more power than the individually elected members of the Legislature?

**Mr Ford:** I definitely do not.

**Mr Bradley:** The fact has been pointed out that we would not have these hearings across the province at this time in January when people are actually paying attention to this if indeed they were not forced upon the government, and I'm glad to hear that you believe that hearings should continue, because we think it's important as well.

You mention the freedom of information. Perhaps you were not happy when it happened, but one of the groups that wanted access to government on many occasions was the Taxpayers Coalition, which wanted to obtain informa-

tion from government. Do you believe that the government should be making it more difficult for the Taxpayers Coalition to get information from government by making changes which infringe upon its right to obtain that information?

**Mr Ford:** No, I don't. I believe it's the citizens' rights in Ontario. One of their rights is the free access of information, as long as it's not classified in some way. I think it's doubly erroneous to charge people to get that information, because, once again, you're limiting people who may not have the ability to pay to get the same access to information as the next person.

**Mr Bradley:** One of the members indicated, and the minister I believe as well, that by regulation he is going to remove the right to have municipalities eliminate local boards of education. Do you believe that it would be better to have that contained within the legislation, where your duly elected members have access to those changes, or do you believe it should be left strictly in the hands of the cabinet?

**Mr Ford:** Once again, it should be with the members of the Legislature who make that decision.

**Mr Bradley:** There is an anticipation in some quarters that bigger is better, that is, by merging boards of education or merging municipalities, there are savings to be effected. Sometimes that happens, perhaps. I haven't noticed with regional government in Niagara that it was a particularly useful exercise in reducing costs or having access by the local people. Do you believe that it is automatic that when you amalgamate boards or eliminate boards or restructure municipalities so that they are larger in jurisdiction rather than smaller, that that automatically produces cost savings and better government?

**Mr Ford:** No, it automatically does not, especially in this area where Niagara South and Lincoln are very cost-efficient. In fact what you're doing is removing the trustees from the local populace one step further on the line. You're decreasing the number of trustees; you're moving them further away. It may make sense by having a confederated board with the separate school board in Niagara South, but it does not make sense amalgamating Niagara South with Lincoln at this point.

**Mr Phillips:** I want to follow up on the arbitration, because I think this absolutely, fundamentally changes the way bargaining will take place, with fire, with police, with hospitals, with teachers. There's no doubt, and it is a very significant step of taking away the bargaining position from the employees and it transfers it to the employers. That's the whole intent of it. In fact, the government has told the credit rating agencies—these are the organizations that rate Ontario's credit—that this proposed legislation has been introduced to guide arbitrators in making decisions and that this is a very important mechanism that will offset part of the impact of the reduction in grants. In other words, this is a big cost-saving move.

I guess my question to teacher organizations, because I think all of us are anxious for good labour relations—we're all in favour of that—do you think this will enhance the relationship between the teachers and their school boards, this change in the arbitrators, or will it make it tougher to reach negotiated settlements between the teachers and the school boards?



**Mr Ford:** I don't know about reaching the final agreement. It will certainly colour the relationships between the trustees, the board and the teachers' groups involved, because now you have an arbitrator who's saying that he absolves himself by saying to the board of education, "How much money can you afford?" "This is the amount of money: X dollars." Then he's going to make his ruling in favour of that board of education. So it undermines the rights of people to negotiate freely a collective agreement.

**The Chair:** Thank you, Mr Ford. I'm sorry that the time has been exhausted. Thank you for coming forward today, Mr Ford, and making your presentation to the committee.

The committee now stands in recess until 1 o'clock.

*The subcommittee recessed from 1200 to 1302.*

#### TED KRASOWSKI

**The Chair:** Good afternoon, ladies and gentlemen. Welcome back to the standing committee on general government.

The first presenter this afternoon is Mr Ted Krasowski. Welcome, Mr Krasowski, to the committee. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and comments from the three caucuses. I know you personally so I've pronounced your name right, so you can dispense with introducing yourself to the committee members if you so wish. Go ahead.

**Mr Ted Krasowski:** Thank you very much. Mr Chairman, members of the committee, thank you for affording me the time to speak with you today. I hope my comments are useful in your deliberations on this omnibus bill.

I will be addressing specific parts of this proposed legislation which I feel are not in the best interests of the people of Ontario. I will also be raising more general points about this bill. I believe the points I raise should be taken into account if it is the goal of the government to bring forward legislation that is beneficial to Ontario and understandable to the people of Ontario. While some of the issues I will raise may have been discussed at previous meetings, some of the reasoning behind my comments may be new.

A specific area I find myself anxious to comment on deals with the relationship between municipal and provincial governments. It is obvious that Bill 26 will allow municipalities more power not only in the area of raising revenue and taxation, but also in the area dealing with citizens. I think there is a real potential here for the interests of citizens to be compromised by these changes.

My concern is based on the structure of municipal government. I'm sure you will agree that Canadian parliamentary democracy is strengthened by the party system, which is a cornerstone of its foundation. Unlike the American system, where the bonds of party are exceedingly weak, the Canadian party system at both the federal and provincial levels acts firmly against extreme and undue influences of special-interest groups, lobbyists and other moneyed interests.

However, this system does not exist at the municipal level. As a result, while it is true that municipal governments are the closest to the people, it is equally true that individual municipal politicians are the most vulnerable to unwarranted pressure from outside interests. We must also remember that municipal councillors are only semi-professional or part-time politicians. Most hold other jobs and careers, with sometimes insufficient resources to fully attend to their council duties. In fact, in at least one case in Niagara Falls, a city councillor has questioned and lamented the short time frame available for budget deliberations.

In light of these facts, it seems inefficient and basically irresponsible for the provincial government to add more obligations to these overworked and sometimes ill-prepared representatives. Their vulnerability, coupled with the devolution of power and increased responsibility arising from Bill 26, could result in decisions contrary to the interests of individual citizens. There must be competent guidelines that oversee the functioning of municipal councils and that ensure no undue influences come into play. I believe there are sections of this bill where those guidelines are being eliminated.

Examples are obviously useful here. To reiterate, there are clauses within this bill which remove the safeguards for municipal governments to act as agents of the people. Specifically, clauses exist which will have the effect of limiting, if not eliminating, the inclusion of citizens in decision-making at the municipal level.

One such clause is found in schedule M, section 25, involving the Municipal Franchises Act. Section 1.1 of the amended act would permit a local municipal corporation to "pass a bylaw to eliminate the requirement...to obtain the assent of the electors before the corporation exercises a power under this or any other act." Clearly this is not in the best democratic interests of citizens.

The same wording is included as section 33, involving the Public Utilities Act and the selling of public utilities. In this case, not only do I find the clause objectionable, I wonder about the reason for its inclusion. Is this amendment designed to facilitate the ultimate privatization of public utilities such as Ontario Hydro? Such a situation would be at odds with the assertion made by the Progressive Conservatives during the election that privatization of public utilities would not proceed until proper evaluation and public hearings were undertaken.

In short, I believe these amendments, sections 25 and 33 of schedule M, should be eliminated from the legislation.

Section 10 of schedule M, dealing with the Municipal Act, is subject to the same sort of criticism. This amendment adds subsection 220.1(9) to the Municipal Act. Under this clause, we also see a weakening of the ability of citizens to voice disapproval with actions of their municipal government. The clause withdraws the right of appeal to the Ontario Municipal Board by citizens wishing to challenge what they may view as unfair practices on the part of a municipality or local board.

Prior to this amendment, the OMB would hear any application where there is a feeling that a toll charged for operating a railway or a public utility is in excess of



those approved or prescribed by lawful authority. While this clause makes it easier for a municipality to impose user fees or charges, the fact that the right of appeal has been taken away from citizens cannot be seen as being in their best interests. I would urge that this amendment also be deleted from the proposed legislation.

Other amendments contained in Bill 26 also must be viewed with suspicion regarding their effect on the ideal of treating citizens in a fair manner.

Examples include sections 7 and 19 of schedule K affecting the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act. Both of these amendments require individuals to pay a fee prior to obtaining personal information about themselves. In my view, these are unfairly restrictive amendments. Put simply, if an individual has provided personal information to the government, why should he or she have to pay a fee to access that information? Looking at it another way, this amendment will undoubtedly stifle the ability of people to access and correct information—personal information—that has been gathered from another source.

On this topic, the idea has been put forth that the fee issue is merely to discourage frivolous and vexatious requests for information. To me, this reasoning is bordering on self-righteousness. What may seem troublesome and of little worth to some may be very important to others. Once again, amendments of this type will have the effect of choking off the ability of citizens to act in their own best interests. Surely we can do without such amendments.

These are the specific issues concerning Bill 26 that I wish to raise today. Time limitations have compelled me to deal with only a few sections of the bill, while I'm sure you will agree that many other areas require in-depth study. In particular, and just one last point in this area, I think it is necessary to take a good, hard look at the power given to various ministers under this proposed legislation. Once again, I fear that the voice of people will be diminished and their best interests compromised with a concentration of decision-making powers in the hands of a few perhaps sheltered individuals.

1310

I'd now like to make some general comments about this bill and about the public hearing process that we are going through.

In my view, the most glaring deficiency of this bill is its enormous size and great scope. Moreover, it is unclear why such a massive bill must be passed as only one piece of legislation. Obviously, it would be much more efficient and fair to people for this bill to be broken up according to the major issues. This is not a new idea. It is being echoed by many within the province: by journalists, leading editorial writers, politicians and, perhaps most importantly, ordinary citizens.

I am sympathetic to the predicament of the members of this committee. The amount of information you are receiving on a wide variety of issues must be very difficult to digest. At the same time, you're being asked to make informed, detail-oriented judgements on the impact of this bill. Clearly, this is not an optimal situation. In fact, to continue along this path will undoubtedly

ly lead to the same problems which arose with respect to the government's welfare reform initiatives. In that case, rushed decisions, without regard for the finer points, led to a great deal of confusion and many people in Ontario suffered needlessly as a result.

As for this bill, questions and contradictory statements have already arisen with respect to the taxation powers being conferred on municipalities. Certainly, we cannot consider this continuing confusion to be representative of good and efficient government.

I'm not advocating a total dismemberment or indefinite delay of Bill 26. In fact, there has already been an offer from the official opposition to pass some parts of this legislation in return for extended public hearings on other areas. This is a reasonable approach. In fact, there does not seem to be a suitable reason for not following this course.

There's also a moral and yet realistic rationale for breaking down Bill 26 and allowing more input from citizens. It stems from the relationship between elected officials and their constituents. Times have changed greatly in recent years. While at one time people were content to elect their MP or MPP every four or five years, send them to Ottawa or Queen's Park and let them make the decisions, I think it is fair to say that today people want much more of a say in decisions that affect their lives. More and more, people are demanding to be heard, and rightly so. I think it is clear that people are becoming much more involved and informed about what is going on in this province, in this country and in this world.

The fact that any government forms a majority today cannot be seen as a blank cheque. It cannot be seen as a reason to proceed with an agenda without meaningful debate and the input of citizens. These truths must be recognized by elected officials, both for the good of the constituents they serve and for their own good in terms of their chances for re-election.

I believe the role of government today, and of MPPs with respect to Bill 26, should be modified to reflect the growing awareness and desire to participate on the part of citizens. If the people are to understand what this government wants to do in Ontario, it also behooves the government to provide as much information as possible. In this situation, the government and individual MPPs should act as liaisons with their constituents, explaining the meaning of their legislation and taking the questions and comments back to Queen's Park to be considered before a final decision is made. In the case of Bill 26, it is obvious that the size and scope of the bill make a process like this inefficient and virtually impossible.

In concluding this portion of my comments, I would like to formally urge that Bill 26 be split into more homogeneous sections and that extended public meetings be undertaken. Perhaps these meetings could be arranged by individual MPPs in the form of town halls. Undoubtedly, such an exercise would allow people a more efficient means of communicating and commenting on this legislation.

In general, throughout this presentation I have attempted to deal with subjects and issues contained in this bill that decrease the ability of citizens to exercise their basic



democratic rights and have more control over their lives. Indeed, as we move into a time when government is relinquishing responsibility and asking citizens to take more responsibility on to themselves for themselves, for their family and for their neighbours, it seems illogical and even reckless to legislate roadblocks to these people who are trying to participate more actively in their government.

I'd like to thank you for your time today once again. If you have any comments or questions, I'll do my best to respond.

**The Chair:** Thank you, Mr Krasowski. We have five minutes per caucus, starting with the government caucus.

**Mr Froese:** Thank you for your presentation. I appreciate it. Not directly stated in your comments but what can be read into them, at least on my part—and we've heard comments before about going too far too fast, too quickly, more consultation, and those are good and valid comments. Given the fact that we are spending \$1 million dollars an hour more than we're taking in and the fact that since the election the debt has grown by \$4 billion, what are your recommendations with respect to solving that whole problem and situation?

**Mr Krasowski:** I think the primary objective of your government should be to generate jobs and get the economy going, and you should be checking very carefully and examining what cuts you are making. For example, there was a green program that was a provincial initiative in various municipalities, and in Barrie that program over a year created 4,000 jobs and brought into the economy of Barrie about \$34 million while the cost of the program was \$12 million, yet the program has been cut.

You're obviously making money off something like this—the money coming in is outweighing the money being spent—and you should concentrate very much on ways of stimulating the economy such as that to bring in more money and create jobs. I don't think drastic cutting at this time is going to solve the problem. I think it might have the real, serious effect of driving us back into a recession.

**Mr Froese:** Do you believe in the statement that you should live within your means, that you shouldn't be spending more money than you're receiving?

**Mr Krasowski:** Yes, I do believe that, but at the same time I think we're in a situation now where smart spending is required. In the example I just gave you, where you have to spend on these programs but you are receiving more money from these programs, we are living within our means in that situation.

**Mr Hudak:** Thank you for your presentation. I enjoyed your comments, especially your comments about the effects of the bill on privacy issues. Schedule A I don't think was touched on in the presentation. Schedule A basically will put some sunshine on salaries and benefits of civil servants who make over \$100,000 a year. One thing I've heard over and over again from people in Fort Erie and Port Colborne and Wainfleet is about the great deal of perks, benefits and high salaries that civil servants—

**Mr Kormos:** And politicians.

**Mr Hudak:** —and politicians make, and the high expense accounts.

**Mr Kormos:** You won't refuse your per diem. What about your per diem?

**Interjection:** He doesn't get a per diem today.

**Mr Hudak:** My question to you is, what do you think of the aspects in schedule A that are going to put some sunshine on salaries and such in the public service?

**Mr Krasowski:** I haven't had adequate time to review schedule A in depth, but I think you will realize from my comments that I will say we should be giving information to people to help them make decisions. But that information has to be accurate and straightforward. There is a feeling out there that public servants are making too much money. Is that accurate? How many hours are they working in a week? Things like that. Let's get the information out there. It's very easy to criticize somebody, but it's much more difficult to propose arguments that really address the issues.

**Mr Young:** Can I expand on that issue a little? For publicly traded companies in the private sector, their benefits and salaries are published now, and now we'll publishing the benefits and salaries of those in the public sector who make over \$100,000 a year. These people have a lot of influence on our lives, so there's sense in that. Union leaders also have a lot of influence on our lives. What would your feeling be about publishing the benefits and salaries of union leaders who have a package worth over \$100,000 a year?

**Mr Krasowski:** You're trying to get me to say something I don't want to say right now. I really can't comment on that. I'd have to look at the legislation itself and research the in-depth ramifications of everything in that area. I work as a statistician; I know you can turn numbers around to make them say anything you want, so we have to be very careful, and we have to be responsible as a government and as citizens that the information we are putting forth is accurate information.

**Mr Ernie Hardeman (Oxford):** In your presentation, you talked about the local responsibility and the pressure that may be put on municipal politicians to do what special-interest groups want. I take that to mean the user fee and licensing area, as those are the areas being transferred. Do you not see that as a better ability of the issue to be represented in the best interests of the people, because they can pressure or they can speak to their local representatives?

1320

**Mr Krasowski:** The real crux of what I was trying to say is that there are amendments in schedule M that let a municipality pass a bylaw that will eliminate the consent being received from people for certain powers the corporation has.

**Mr Hardeman:** Do you recognize—

**The Chair:** Sorry, Mr Hardeman, we've come to the end of the time for the government.

**Mr Phillips:** I'm actually going to talk about the areas that you commented on because I appreciate that you as a private citizen don't have the resources to go through and detail every single section. I appreciate that you've brought us your views on a couple of sections, not section A, but you've commented on section M. Perhaps you can elaborate a little bit. Here's the situation, as we see it, of what the intent is of this.



It's very clear that many municipalities want the right to implement a municipal gas tax. We've had at least three mayors say that is what they believe the bill provides and that's their intent. That's what they want to do. As you rightly point out in your brief, if the citizens don't like that, they cannot appeal it any longer to the Ontario Municipal Board. It says that no one can appeal to the OMB on the grounds that fees or charges are unjust or unfair. So even if they're unjust or unfair, you can't appeal to the OMB.

It then goes on further, as you pointed out in your brief, to bylaw waiving assent, which is legal jargon for, by a bylaw the municipality can say, "We're not going to have a referendum."

I might just parenthetically say that I always find it mildly curious for a government to think that a gas tax doesn't need a referendum but a casino does need a referendum. There's a juxtaposition there that's interesting: They're still saying that wherever there's going to be a casino they'll need a referendum; where there's a gas tax, no referendum.

I just want to get your feeling, as a citizen, of what they're saying to the people of Ontario by not allowing an appeal to the OMB and not allowing a plebiscite on it, but allowing by bylaw the introduction of a municipal gas tax.

**Mr Krasowski:** I would think that, as difficult as this is for me to say, the government is of the opinion that the opinions of the people do not really matter, "If we feel that we want your advice, we'll ask you for it."

The point I was trying to make was that it is incumbent upon the government, wherever possible, to get input from the citizens and also through the elected members of the Legislature. I think the whole situation with Bill 26 is something that borders on scandalous, in the way it was introduced into the Legislature, the way it was debated and the basically drastic steps it took to get the committee here, to get public hearings to be held.

**Mr Phillips:** It's actually probably apropos that we're in this community, talking about the ability to eliminate municipal electrical associations through the elimination of a plebiscite and the mere passing of a bylaw. Yours actually has been one of the few presentations that have focused on that area. I appreciate that very much.

But again, as you point out in your brief, the passing of a bylaw, "Despite this or any other act, a municipal corporation may pass a bylaw to eliminate the requirement of this act to obtain the assent of the electors," as you point out, that's essentially eliminating the need for a plebiscite on the elimination of local electrical boards.

Again I ask the question, I guess as a citizen: Do you think that most communities view their electrical organization as fairly important? And do you think that most people would like an opportunity, before it is sold off, to have a direct say in that or do you think that any municipality should have the right, by passing a bylaw, to sell off their local municipal budget—

**Mr Krasowski:** I don't think that any municipality should have that right. I think the people should be consulted on this, especially in something as important as power.

**Mr Bradley:** I have one question in the 30 seconds I have, and that is regarding user fees. Your municipality in Niagara Falls has spent a lot of time trying to bring its budget under control. It's already effected a number of cuts. If you were to get into user fees, what do you think, for instance, could be the effect on children who are trying to take advantage of recreational opportunities in the community?

**Mr Krasowski:** I think their opportunities would be very limited. To me, whether you impose user fees or taxes, it's really the same thing. You're cutting back on spending at the provincial level but you're bringing in user fees to make up the differences.

**Mr Kormos:** Mr Krasowski, in the very first part of your submission you talk about the strength of the party system traditionally in Canadian politics. I tell you I'm inclined to agree with your observations. Several members of the Conservative caucus agree with you too. They're not necessarily here. They've confided in me, but of course are extremely fearful—

**Mr Young:** That's hearsay.

**Mr Kormos:** —of expressing their views publicly because they'll be denied the gravy train that exists in government. Do you think any of those Tories could possibly show the courage of their convictions and truly represent their constituents by voting against truly bad legislation and bad process? Do you think there's any prospect of that at all?

**Mr Krasowski:** I don't think there's any prospect of it, but it would be something that would make a lot of people sit up and take notice.

**Mr Kormos:** It sure as hell would be refreshing, wouldn't it?

**Mr Krasowski:** Mr Chairman, if I could just finish a comment quickly. I think it's important to realize that our party system is not perfect by any means, and I think that the better part of the system is that within caucus, views are made known. If those views are not taken into account, there is a lack of leadership, probably, and of good judgement at the top as well.

**Mr Silipo:** I wish we had more time, Mr Krasowski, to talk about the whole parliamentary system, because I actually do have some thoughts as well about how it could be made more democratic overall in terms of the role of the individual member. But that's perhaps a discussion for another time.

I wanted to just focus in on what I saw as a recurring theme in your presentation, which as I understood it was the array of examples that you put before us taken from the legislation that really diminish power, the rights of the public to be involved, and really make the whole process more autocratic; and your pointing out, as you did, that a majority government doesn't mean a blank cheque to do what you want and ignoring the whole democratic process.

What came to mind as you were saying those words were the words of the now Premier, Mike Harris, who kept talking a lot, as I recall, both prior to the election and during the election, about what a different kind of politician he was going to be. One of the things he was going to do was, yes, to take the tough decisions, but he was going to continue to talk to people, he was going to



continue to consult with people and he was going to keep his promises. One of the key promises he made, of course, was that there would be no cuts to health care, and we know what happened to that promise with the \$1.3 billion in cut to health care announced in the economic statement.

It seems to me that we're seeing here a number of measures that either one can categorize as continuing the breach of those promises or, at the very least, that they go far beyond what people expected when they voted for the Tory government. Is that a fair assessment, in your view?

**Mr Krasowski:** It is a very fair assessment. Just to emphasize something, I think it's very easy to cut. It's not easy to bring in programs that will decrease costs and provide benefits at the end.

**Mr Silipo:** Thank you.

**The Chair:** Thank you, Mr Krasowski, for coming forward and making your presentation to the committee today.

1330

#### PORT COLBORNE AND DISTRICT LABOUR COUNCIL

#### UNITED STEELWORKERS OF AMERICA

**The Chair:** May I have please have representatives from the Port Colborne and District Labour Council and the United Steelworkers of America come forward.

Good afternoon and welcome to the standing committee on general government. You have half an hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd both introduce yourselves at the beginning of the presentation for the benefit of Hansard and committee members.

**Mr David McIntosh:** Good afternoon. My name is David McIntosh, vice-president of Port Colborne and District Labour Council and president of the Niagara Peninsula Steelworkers area council.

**Ms Rose Bisson:** Good afternoon, I'm Rose Bisson, president of the Port Colborne and District Labour Council.

**Mr McIntosh:** We're here today representing over 1,400 members of the Port Colborne labour council and the over 3,000 members of the United Steelworkers in the Niagara Peninsula working in a wide range of industries in the public and private sector.

I'd like to begin by thanking the members of the Liberal and NDP caucuses at Queen's Park whose actions resisting this government's intention to ram through Bill 26 with little or no debate and no public hearings were responsible for these hearings today.

Bill 26, introduced as the Savings and Restructuring Act, 1995, is an unprecedented and sweeping piece of legislation containing 17 schedules which enact or amend over 40 separate pieces of legislation.

If passed, this bill would grant cabinet and appointed officers the unconstrained power to make decisions affecting the delivery of public services and operation of public institutions by regulation, ministerial direction or

administrative order, without either parliamentary debate or public scrutiny.

It also removes any assurances we have of political accountability, and in many cases our recourse to the courts on decisions made affecting important group and individual interests, such as the denial of public benefits, interference with vested rights and the disclosure of confidential information.

The bill authorizes cabinet or ministers to make regulations or issue directions extinguishing the existing contractual rights and obligations with no legal recourse. Further, it allows cabinet to override the provisions of any contractual agreement and provides exemption from the provisions of other legislation to the point of reversing and rendering of no effect certain decisions already made by the courts under existing legislation and agreements. In these respects, the bill goes way beyond enacting the provisions of the Treasurer's economic statement.

I have a few comments to make on some specific issues. Many workers who are employed in the essential services sector, such as fire, police and hospitals, are denied the right to strike in support of their collective bargaining demands. Instead, these workers have access to a process of interest arbitration where a neutral arbitrator makes a determination by comparing compensation paid to workers doing similar work in the private sector.

Among other changes, this bill would require arbitrators to consider the employer's ability to pay in light of its fiscal situation. Arbitrators have been unable to define ability to pay in the public sector arguing that ability to pay in the public sector really means willingness to pay, something which is unilaterally determined by the employer.

We believe that by imposing this criterion on our arbitrators the government will be able to effectively implement wage controls using arbitrators as a buffer to escape responsibility. This would in effect undermine the independence of arbitrators, the integrity of the arbitration process and the process of collective bargaining as there would be no incentive for employers to reach an agreement when it is clear that the arbitrators have no choice but to award the employer's position.

In fact, the adverse impact of the ability-to-pay factor in the independence of arbitrators was recognized when similar legislation was temporarily adopted by a Conservative government in the early 1980s. This legislation was not renewed after a one-year period.

The effect of this and the other proposed provisions would serve only to relieve public sector employers of the responsibility for making decisions for which they can be held accountable, and to require employees to subsidize the levels of service through substandard wages.

The Pension Benefits Act provides for additional rights for plan members whose service is terminated as a result of a major layoff or a shutdown. The superintendent of pensions has, at present, the power to order a partial windup of a pension plan. Bill 26 removes the power of the superintendent to order a windup or partial windup of either of the two pension plans for which this government is responsible.



This move denies the government's employees facing layoff their pension entitlements that are the right of every worker in the province, and to add insult to injury it makes the provisions retroactive to January 1, 1993, also giving the employers the right to demand repayment for any amount paid as a result of these provisions after that date.

It's quite frankly beyond our understanding as to why the government is so unwilling to deal with the pension issues through the collective bargaining process as should be properly done in any democratic society.

Continuing this government's attack on women, this bill, by eliminating proxy value comparisons from the Pay Equity Act, removes pay equity rights from over 100,000 women in the broader public service—this in a province where women doing work comparable to a man's are still paid less than 72% of the man's wages.

The Ontario Coalition for Better Child Care has stated that the end of proxy pay equity will further undermine child care funding, forcing parents, in particular single mothers, to expend a greater portion of their low income on child care in order that they can go to work. We hope the government will remove this regressive amendment to the Pay Equity Act.

In a move that has nothing to do with either saving or restructuring, but everything to do with hiding government's decisions and procedures, Bill 26 grants wide rights to agency heads to refuse access to records under the freedom of information act. Individuals in all cases would be required to pay a user fee at the time of making a request for a record, and also as a precondition to appealing a refusal decision to the commissioner. The bill also allows for different fee amounts to be charged for different records or to different persons.

Bill 26 would amend the Municipal Act to provide government with wide powers to restructure existing municipalities and localities. This includes the amalgamation of municipalities, dissolving all or part of a municipality, or annexing part of a municipality or a locality to another one. This may occur either when the Minister of Municipal Affairs receives a restructuring proposal from a municipality or other local body, or as a result of a restructuring commission established by the minister. This commission will have wide-ranging powers including the power to apportion its costs among the municipalities or local bodies affected by the commission's report, even if they had not requested any restructuring.

Furthermore, any order of the minister or a commission implementing a restructuring proposal prevails over any other legislation with which it might conflict, provided it complies with the regulations made under the Municipal Act. This raises the question of whether the minister would be able to ignore or override the provisions of other legislation; for example, to override successor rights provisions contained in collective bargaining legislation. It also gives the minister the power to change or dissolve local boards, such as school boards, public utility commissions, public library boards and boards of health, to name but a few.

The bill will provide the authority for municipalities to eliminate or alter the structure and delivery of municipal services. Municipalities may argue that this power stands

to relieve them of any obligations under other legislation or collective bargaining agreements, leading to significant contracting out or elimination of municipal services.

The bill permits municipalities and local boards, with the exception of hospital and school boards, to pass bylaws imposing user fees that may discriminate among different classes of people. The fees or charges that may be made appear virtually unlimited, including fees that are in the nature of a direct tax, such as a municipal gas tax, or even an American-style municipal or county sales tax. This would also appear to permit municipalities to impose a poll or head tax, a host of user fees and charges for municipal services, and possibly municipal charges based on income.

The minister may make regulations disallowing certain types of taxes, but only at his sole discretion. This conveniently lets the government off the hook. It provides a way out of its promises not to raise taxes and shifts the blame to local governments for anything that is unpopular, or in the event that the new tax proves unpalatable, it can disallow it.

Additionally, Bill 26 grants municipalities expanded licensing power over various business activities. However, the amendments appear to give the municipality final say in whether or not a licence is granted, revoked or suspended, without any right of appeal to the divisional court.

Finally, where there is a conflict between these expanded powers and the provisions of any other legislation, this bill provides that the provision that is less restrictive of a local municipality's power prevails. These provisions are an obvious and disturbing attack on the democratic principles on which this province was built. As has already been stated, this bill will have far-reaching effects on our society and is deserving of much more time for public scrutiny and input than the scandalously short period already allotted for these hearings. We feel that at least a six-month time frame would be in order to allow for full consultation.

1340

**The Chair:** We have about six minutes per caucus for questions, starting with Mr Bradley.

**Mr Bradley:** First of all, I want to compliment you on an excellent brief that you've provided for the committee. You've highlighted, among all the provisions of this bill, some which are important obviously to you and to others in the community. One of the concerns that has been expressed and I think it's a fairly consistent theme out there, and it was expressed by the opposition, is that this bill will bring about or make worse the circumstance in Ontario where a person's ability to obtain government services will be based on the size of the person's wallet as opposed to an entitlement that is there for all people in our community.

What examples in the bill would you say would be an indication that we're indeed going to be moving to what I see south of the border in many states, a circumstance where we have two levels of service, a person unable to get service because they don't have sufficient money. Can you think of any instances where that would be the case, where the kind of service a person gets will depend on his pocketbook?



**Mr McIntosh:** Initially, we'd be looking at the freedom of information, where we're now going to be paying a user fee just to access it and where it's proposed that the average person no longer have any free time. The first two hours right now are supplied free of charge; after that we pay a charge for so many hours. This government's proposing that the charge apply right from the first hour.

There's a variety of user fees—taxes, if you will—that this government is proposing throughout this bill, primarily in the health care sector.

**Mr Bradley:** When you were trying to deal with this legislation and react to it, representing a significant number of people in this area, you no doubt found the bill extremely large and very complex. What is your view of the practice of any government bringing forward a piece of legislation that would, in one piece of legislation, amend 44 different acts and I think create three new acts and abolish two other acts? What is your view, in other words, about omnibus bills that contain so many different provision which are unrelated?

**Mr McIntosh:** In this particular case, this omnibus bill is so regressive it should be broken down into its various components and discussed piece by piece.

**Mr Bradley:** You as an individual and the organization you represent have the opportunity to make direct representations to those of us who are elected. If you don't like the job we're doing, you have the ability to turf us out. Indeed, in the last three elections we've had three different governments of three different political stripes. The public has exercised its ability to do that. Do you see any danger in this legislation in taking away from the elected members, whom you can get at, and providing more powers to those you can't get at, in other words, a few select people in the cabinet and the advisers to the Premier?

**Mr McIntosh:** Quite frankly, as I discussed this legislation with some of my members as we were putting the brief together, it was compared to a South American junta or perhaps the government in South Africa that's recently departed. When you concentrate the power to control people's lives solely in the hands of a few people, with no public accountability, you can no longer call it a democracy.

**Mr Bradley:** When we look at other circumstances, I have heard people say that this is not unique to Ontario, that this program we're seeing presented in fact appears somewhere else. You're an international union which has large dealings in the United States as well. Do you see any pattern developing between, say, some of the legislative initiatives that are beginning to come forth in the United States and those that we're seeing in Ontario today?

**Mr McIntosh:** They seem to be following fairly closely—I can't really say fairly closely to the United States; it's more along the line of Margaret Thatcher's Britain. But in the States itself we appear to be going downhill, trying to achieve the status of one of the poorer southern states where there's very little industry, wages are low, benefits are non-existent and workers' rights are also non-existent. Ontario seems to be heading in that direction today.

**Mr Bradley:** Mr Phillips has a question on pensions.

**Mr Phillips:** Just to focus on one part of your presentation, the Pension Benefits Act, I want to get your comments as the head of the labour council.

The Ontario government's in negotiations with its public union. This part of the bill is designed to take probably \$250 million to \$300 million out of the public sector pension for the government. The government tried to do it through regulation. The public sector union took them to the courts. The courts said, "You are acting illegally." So this bill by law exempts the government from the Pension Benefits Act, the act that protects all pensioners across the province. It exempts the government only from that.

My question is, what kind of climate will that create? The bill will pass on January 29 and the big bargaining takes place in February. What will be the climate at the bargaining table when the members recognize that the government passed the law, exempting itself from the Pension Benefits Act, to take at least \$250 million of pensioners' money out of the pension fund?

**Mr McIntosh:** If that's the case, I don't think you can call it collective bargaining in any form. Any employer, be it the government or a private sector employer, who would stoop to such a low level as to practically steal the money from the workers' pockets is certainly not going to be bargaining in good faith. As I understand it, this government, in its short history, has been very aggressive against the labour movement in Ontario and it's just one more step in that direction.

**Mr Kormos:** First of all, Sister Bisson, Brother McIntosh, I want to congratulate you because you're among the very few people and group representatives who have managed to penetrate the brick wall the government has built around these hearings and gotten on the list, as compared to the Niagara Falls and District Labour Council. They didn't let the Niagara Region Police Association come here to make presentations. They didn't let seniors come here to make presentations. They didn't let aboriginal people come here to make presentations. So I congratulate you for having penetrated those barriers put up.

Mr Young, during the course of the previous submission, with a motive I suspect, asked the presenter whether he'd be as interested in learning about labour leaders' salaries as the public might be interested in learning about public sector employees' salaries who are above \$100,000. Mr Hudak wanted to make a point about how little schedule A of this incredible bill provides for disclosure of public sector salaries above 100Gs, but it took legislation—is there anything secret about labour leaders' salaries?

**Mr McIntosh:** Not to my knowledge. As a matter of fact, in the Steelworkers the leaders' salaries are set at convention by the members.

**Mr Silipo:** Send Mr Hudak a copy of that.

**Mr McIntosh:** No problem. I'll send him the constitution, if he chooses.

**Mr Kormos:** Then what the hell was Mr Young talking about?

**Mr McIntosh:** I have absolutely no idea and I doubt Mr Young does either, quite frankly.



**Mr Kormos:** Here you are representing hundreds, thousands of working people in Niagara region. You're a trade unionist. You're participating in this process today, and we appreciate it. Do you think Bill 26 is part and parcel of Bill 7, among others, and an outright attack on trade unionism here in the province of Ontario?

**Mr McIntosh:** This government campaigned on attacking trade unions, so it comes as no surprise that they would put together legislation with little or no thought as to how it's going to affect the average working person. But yes, it is an outright attack on trade unionism in the province of Ontario.

**Mr Kormos:** Let me tell you what happens. It's been a few years since I've been doing committees like this. Again, one of the sad things about this government is that things really haven't changed a whole lot at all. These people don't understand the difference between a revolution and a putsch. That's their problem.

What happens is this: The government has its little people sitting here, its little functionaries, its spin doctors and advisers, they overhear and monitor the hearings and then they run to their people during the course of breaks or during the lunch period. You know, we New Democrats have got a couple of staff people here and so do the Liberals.

**Mr Gerretsen:** No, we only have one staff.

**Mr Kormos:** Only one?

**Mr Silipo:** So do we.

**Mr Kormos:** And we have one. That's what happens when you're in opposition. Your budgets for those sorts of things drop significantly, but the Tories spend money on bringing these people around with them whose job is to stroke the press and try to massage things.

You see, the government members get scripted. They get advised on, for instance, raising schedule A because that leaves the impression that somehow it's good news, right? "We're going to learn the salaries of people who make more than \$100,000 a year." Although it may be of interest to a whole lot of people, is the fact that you find out what people make in excess of 100Gs going to do anything to improve your life or the life of your workers here in the Niagara region?

1350

**Mr McIntosh:** It's going to do absolutely nothing. As a matter of fact, rather than go through the large process of grandstanding on the salaries of people making in excess of \$100,000, I think the government would probably be better put if it looked at the type of job the individual was doing. Are they worth the dollars they're being paid?

**Mr Kormos:** This government is going to reveal the salaries of the six-digit-income people, but the real attack by this government is on the little folks. The 20,000 members of the public sector—and let's understand what that means here in Niagara region—is in excess of one person per 1,000 population. That means over 400 members of the broader public sector will lose their jobs here in Niagara region, and that's going to range from cops to nurses to social workers to teachers to day care staff. Over 400 jobs are going to be destroyed by this government during the course of its depopulation of the public sector.

Why do you think it is that they're attacking the little people in the public sector instead of those six-digit-income people?

**Mr McIntosh:** At the risk of seeming somewhat facetious, I would guess that the people with the six-digit incomes are the people who supported this government during the campaign.

**Mr Kormos:** You know, I have addressed you as brother and sister and I take no shame in that, and some of those fellows across the way are probably going to suggest that the New Democrats and Kormos and Silipo are in bed with labour. I tell you I feel entirely comfortable being in bed with labour. It beats being in the back pocket of Bay Street.

**Mr Hudak:** Thanks for your presentation, Mr McIntosh and Ms Bisson. It's good to see you again. Mr McIntosh, in your presentation you mentioned the fear that the public service may practise at substandard wages. I know you represent a large constituency of private sector union members who in the past 10 years have faced some tremendous layoffs, who have had to take wage cuts and who have suffered through 32 tax hikes in the last government and who face \$100 billion in debt payments that they or their children or grandchildren will have to pay off in higher taxes or in fewer services down the road.

I would think that a large number of your constituents, the private sector members, will have to pay through their taxes, which I would argue are high enough already and should go down, the wages of public servants. Do you think that in arbitration decisions the arbitrator should look at the ability of people in your private sector union to pay government wages and salaries?

**Mr McIntosh:** Are you suggesting that the private sector should follow your lead in the public sector and downsize the wages? Your question's a little unclear. Would you expand on it a little?

**Mr Hudak:** Given the difficult situation of a lot of your members—pay cuts, tax hikes, a tremendous number of debt payments to make in the future because of the actions of the previous government—do you think that, in making a decision on public sector wages, an arbitrator should look at the ability of the taxpayers you represent to pay for future wage hikes?

**Mr McIntosh:** I think the arbitrators in the province of Ontario have evolved a system in interest arbitration that's fair to everyone. If you compare the public sector and comparable private sector industries, if you will, you'll find that the wage differential is very little, if there's any at all. As vice-president of the Port Colborne labour council—we also represent a fair-sized number of public sector workers. So we're in a position where we can speak from both sides of the fence, so to speak. If you're going to interfere with an arbitrator, they're an independent body and must remain so without government interference.

Quite frankly, when you're talking about lowering wages, I don't think that's going to go a long, long way to paying off the public debt or the deficit. In fact, there's very little in this bill that I've seen, and I've scrutinized it as closely as I possibly could in the short period of time I had—I see nothing there at all that's going to cut



the costs of government. All I can see is where this government has made a big noise about giving everyone a tax cut somewhere down the road and about cutting services and about cutting costs. All they're doing is downloading on to the municipality level and giving them additional powers to tax. Call it a user fee, call it what you like, but it's still a tax.

**Mr Hudak:** Let me follow up on the municipalities question that you mentioned that I addressed a couple of times earlier today. In my opinion, the municipal councillors are always in the public eye, whether they're at council meetings, at work, shopping at the A&P or walking down Steeles Avenue. They're a very responsible group of individuals, whereas sometimes the members at Queen's Park won't be in the constituency; they'll be at the Legislature or members will be in Ottawa, travelling often.

Would you agree that if we were to put some trust in municipal councillors to respond to the voters and the taxpayers in Port Colborne and Fort Erie and Wainfleet, if more decisions are made at the municipal level with a greater degree of influence from the taxpayer than if decisions are made by bureaucrats and politicians in Toronto or Ottawa, we'd be off to a better system?

**Mr McIntosh:** I think the municipal politicians in Fort Erie, Wainfleet or the Port Colborne area do exercise their powers quite well as they have them right now. I don't know if you're suggesting that we shouldn't have trust in our provincial members. It would appear that way.

However, I don't think that it's fair—if I can use the analogy of giving a desperate person a loaded gun—of the provincial government to slash, burn and cut the way it's doing without thought to what's happening, particularly to working people, and then turn around to the municipalities and say: "Well, we've cut you off at the knees but we're going to give you a pair of shoes. Run with it." You give a person a loaded gun and sooner or later he's going to be desperate enough that he's going to use that gun. This is what this government's doing.

**Mr Hudak:** I'll just address a final point to you, Mr McIntosh, on your thorough presentation with respect to freedom of information requests. There's a gentleman from Toronto, a young man, who has filed more than 770 requests of the OPP, including information about how much officers eat and drink while on duty, how many sightings there have been of UFOs, how the police washrooms are cleaned, the kind of toilet paper that the chief uses. The cost to the taxpayer, the individuals you represent and I represent, is over \$75,000 of what I would call frivolous requests.

**Mr Kormos:** Why don't you tell your research department to cool it?

**Mr Young:** You've had your time.

**Mr Hudak:** Do you think we should look at ways of limiting the expenses that are caused by these frivolous requests like the ones I've just listed?

**Mr McIntosh:** We've got approximately 11 million people in the province of Ontario and you're talking about one instance of one individual. I think it's highly unlikely that the other almost 11 million people are going to be calling up the privacy commissioner, wanting to

know what type of toilet paper the OPP uses. I think you're picking at a tiny little point that's terribly insignificant, and in the process of doing that, Mr Hudak, your government is infringing on the democratic rights of the people of the province of Ontario.

**The Chair:** The time for questions is exhausted. I'd like to thank you both for coming forward and making your presentation to the committee today.

1400

#### ST CATHARINES AND DISTRICT LABOUR COUNCIL

**The Chair:** May I please have representatives from the St Catharines and District Labour Council come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit.

You may wish to leave some time at the end of your presentation for questions from each of the three caucuses. I'd appreciate it if, for the benefit of committee members and for Hansard, you'd introduce yourselves at the beginning of your presentation.

**Mr Gabe MacNally:** My name is Gabe MacNally. I'm president of the St Catharines and District Labour Council.

**Mr Ed Gould:** My name is Ed Gould and I'm here representing the Coalition for the Unemployed.

**Mr Cliff Kostyniuk:** My name's Cliff Kostyniuk. I represent the United Food and Commercial Workers Union and I am a representative of the labour council.

**Mr Malcolm Allen:** My name is Malcolm Allen. I'm a member of Local 199, CAW.

**Mr MacNally:** Good afternoon, ladies, gentlemen and brothers on that side of the table. On behalf of our 15,000 members, we address you today pleased—and I repeat "pleased"—with your introduction of Bill 26, what your government calls An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda. We refer to it as an act to achieve fraudulent savings and to promote economic disparity through public sector reductions, steamrolling and exorcism and to implement other aspects of the government's economic attack.

As a labour body with our community partners present, you might think that strange, but let me explain. We are pleased that this Tory government attempted to sneak this bill into the Legislature on November 27, 1995, while the media and the opposition members were preoccupied with the economic statement that you also delivered the same day. The government's intention was clear: Ram the bill through before Christmas and make it law. We thank you for the wake-up call you have given millions of Ontarians with this blatant and unscrupulous power grab.

Extremely revolutionary to Ontarians is the idea of imposing sweeping, fundamental and irreversible changes without public debate. Thanks, however, to the creative tactics of the two opposition parties, at least we have these hearings to let you know how we feel about this



most authoritarian power grab in Ontario's modern history.

I've perused—I haven't read—the 211 pages of the mini-document but, like most people, have not read the over 2,000-page compendium that goes with it. It's extremely difficult to get, let alone read, as I understand from comments from the ministers of Health and Municipal Affairs, who were unable to explain the meaning of important sections which their ministries are directly responsible for.

I doubt that very many Ontarians, including members of the public, the media, opposition parties, perhaps even the government backbenchers themselves, have had adequate time to study the bill or to speak together about the changes it brings to our fundamental social values and how it will impact on our lives and our communities. But then again, wasn't that the intention? And you wonder why we say this government is anti-democratic and revolting—not revolutionary, but revolting.

Thomas Walkom wrote in the *Toronto Star* that Bill 26 is "nothing short of revolutionary." It "centralizes power in the hands of cabinet to an unprecedented degree.... It lets some of the province's largest corporations off the regulatory hook...."

"He [Mike Harris] talked of direct democracy. Yet the omnibus bill removes requirements for citizen referendums. He talked of defaulting power to the grass roots. Yet in certain areas"—in most areas of the bill, actually—"the bill centralizes power to a degree unsurpassed in this province.

"Indeed, if power is devolved at all in this bill, it is to the corporate world—to mining firms, drug companies" and to "those waiting in the wings to privatize public services...."

"Harris is getting government out of the business of helping the poor. He is getting government out of the business of environmental and business regulations. But where Harris figures state action is needed to promote private enterprise, government power is strengthened.

"If fiscal probity requires that doctors be shipped off to Wawa, so be it. If municipal privatization is hindered by the requirement of a referendum, eliminate the requirement. In the world of rational order, there is no room for dissent and precious little role for the elected representatives of the people. The government marches on." We couldn't agree more.

Some of the substantial changes in Bill 26 include the rollback of pay equity for women; the enormous power shift to the Minister of Municipal Affairs and Housing to unilaterally restructure, amalgamate or dissolve municipalities; the increase of powers of cabinet and the Minister of Health over hospitals and doctors. You will be hearing from the labour council next week, on January 18, when the hearings are here in regard to health care reform.

Under this bill, the Minister of Health will be able to close hospitals, appoint a supervisor to take over hospitals or tell individual hospitals what services they can or cannot offer. Next, we'll have the rewriting of rules of bargaining with hospital workers and all other workers in the broader public sector, including police officers and firefighters, and then we'll force arbitrators to consider

the possibility of service cuts when they decide wage levels.

It will limit access to government documents and increase fees to be paid under the freedom of information act, and the sweeping immunity of government at all levels from legal challenges.

In our limited time, we will touch on just a few of those areas, and I'll ask Ed Gould from the Coalition for the Unemployed to address some of those concerns.

**Mr Gould:** I have a few areas here but, first of all, realizing the bill is some 2,000 pages in length and it would take about nine days to read it, I've found nothing in there about jobs. There's not a mention of jobs in there—nowhere. What's this government preoccupied with, just making more power for itself? Anyway, on with it.

The impact on seniors and social assistance recipients would be far-reaching to a great extent. The members of our social network will be negatively impacted by \$2 copayments for all prescriptions, and it will be especially hard on mother-led families and disabled children, who have already seen a 22% cut in their social assistance by your government. You're asking people out there who've already been impacted \$4 or \$5 or \$6 a day to make up the difference with drugs. You should try living on this yourself. Could you tell me how much you guys make? I'd like to know how much you guys make, because I know you're living on more than \$6 a day.

**Mr Kormos:** A hell of a lot more than most working people in this province.

**Mr Gould:** That's correct. So let's start where the real problem might be. On with it.

The bill also deregulates drug prices and eliminates the payment of differences between generic and brand name drugs, even though the generic drug is not suitable for the individual. This will also have an overall impact on the health of many Ontarians, which could possibly result in deaths. This government must and should be held responsible for these kinds of acts.

The environment: Bill 26 will remove the responsibilities of mining companies to clean up the environment waste when a mine is closed. Whatever happened to the word "greening"? When was the last time you guys ever said anything about the environment? We've got the kids in school cleaning up. How about the mines? What's going on here? Where are you guys from, Mars? This will be a direct result of laying off ministry officials responsible for environmental conditions. Even the conservation authority budget will be cut by 70% over two years. This is unbelievable.

Energy and environment grants worth \$24 million are being cut, and blue box moneys will be eliminated. So now what do we do? Just throw them in a cardboard box?

Heavy cuts will also lead to privatization and will lead to less accountability for the environment and other public services. The Forest Fires Prevention Act, the Lakes and Rivers Improvement Act, the Public Lands Act—these will all be amended and just cut. Funding for the Ontario Energy Board, the Environmental Appeal Board, the Niagara Escarpment Commission and the



Environmental Compensation Corp are being cut by an average of 15%. Again, where are you guys living?

**Freedom of information:** The Common Sense Revolution failed to discuss the Tory plans to make it harder to get information from the government. Are you guys trying to hide something in the future? I know this is only your first months in office, but I guess maybe down the road you would want to conceal a few things.

**1410**

Listen, I have a hard time going by a prepared text. You guys could probably read this stuff later. But really, there's a lot of people out there looking for jobs, and before we leave today I'd like to know, is Mike Harris really coming to town on Monday, January 22, to the chamber of commerce? Can I have a yes or a no on that? I know a lot of unemployed people would like to meet him that night.

**Public sector interest and arbitration:** We are assuming that the schedules that form part of this massive piece of legislation will hold surprises for many workers in the public sector, specifically the police officers, the firefighters, the teachers, the hospital workers, exempt from strike under any circumstances. This matter goes to interest arbitration. Teachers often have their bargaining end up in arbitration and it's usually settled peacefully.

This government apparently does not trust arbitrators, and that's funny to believe this, but they impose severe pay cuts on these workers without any very specific orders. These amendments provide that arbitrators must consider the provincial economic situation, they must consider an employer's ability to pay and the extent that services must be reduced. It's hard to see why this government wants arbitrators deciding on service cuts for police, fire services, or classrooms and hospitals. Maybe that is not the intention, but how many of our members will read this legislation? The 2,228 pages, at eight hours a day, would take about nine days to read.

This government has already announced drastic funding cuts to area municipalities, and here in the Niagara region it totals some \$8.7 million. I live here, and I know some of you do too, but \$8.7 million is going to be cutting pretty deep. I know that some local politicians will have a hard time addressing that.

But we are informed that even bigger changes are tucked away in the schedules of the omnibus bill. Historically, citizens of our communities have had the right to consult on major changes to their communities through a referendum process, which is, I guess, going to be eliminated.

**Issues to be dealt with:** The referendum could include privatizing utilities etc. We are informed that tucked away quietly in the bill are sections repealing these referendums. Why will this committee deny these allegations? Why didn't the Tories make this part of their revolution well known before election time? By the way, a lot of this stuff wasn't in your blue book. I've been reading it in the last few days.

We understand that schedule M, covering some 34 pages, gives the Ministry of Municipal Affairs power to force through municipal restructuring without any public involvement at all. That's not even anywhere close to being democratic. It also gives this ministry total discre-

tion over funding to transit operations and capital projects, thus ensuring hikes in transit fares to all municipalities. Still, we are informed that there are other sections that would lead to an explosion of municipal user fees and licence fees. It's even possible that some of the police and fire services could be subject to user fees.

In the old days, they used to put that little shingle up in the corner of the house and if you paid your fire tax, you'd have fire service. You guys should start paying your share too.

**Mr Kostyniuk:** Good morning. We're talking on the women's issues here. Since Mr Harris has come into government, his cuts attack women. Since his election, Harris has proved that his government has been the most anti-women government in the history of the province. I hope you're proud.

Cuts to day care, welfare, non-profit housing, legal aid, education, violence against women, shelters for battered women, employment equity, pay equity and labour laws will hurt women and children more than any other group. The cuts include \$2.6 million in counselling service for women trying to escape violent spouses; 21.6% welfare cuts to 200,000 single women who support about 400,000 children; \$35 million in cuts to day care; cancellation of 385 non-profit housing projects, some intended for elderly women and single mothers with kids—disgraceful—caps to pay equity; employment equity legislation cancelled; hospital closures that will put front-line workers, mostly women, out of work and move the responsibility for sick and disabled into communities, where women will have to carry the responsibility of care in the home. As much as 60% to legal aid, used primarily by women.

We'll talk about the rollback in pay equity for women, as proposed in the proxy value provisions permitted by pay equity. Effective on January 1, 1997, Bill 26 repeals the proxy provisions for the estimated 100,000 low-paid women in such areas as nursing homes and day care centres who work for employers with no male-dominated classifications. These women will have their right for fair pay abolished.

Bill 26 also has complex transitional provisions which make it likely that pay equity raises for women already covered by proxy will be lower between now and January 1997 than they already would have been under the existing law. The end of proxy pay equity will make it possible for the Harris government to make still more cuts to child care funding.

Just before Christmas it was proposed that the current rate of income for MPPs be increased considerably. Is the source of this increase coming from women and children of this province?

Just as in the 1960s and early 1970s, when the United Nations declared apartheid a crime against humanity, so is the Harris government committing a crime against the population of Ontario by passing legislation which attacks the poor and their children. This labour council and nation should declare this government as being guilty of committing crimes against humanity. Many people already recognize this government as giving a new meaning to the term "women and children first."

**Mr MacNally:** In conclusion, we find it hard to understand why this kind of legislation is lumped



together, other than for expediency's sake and to concentrate power into the hands of the few. Under Bill 26 there is too much potential to govern by regulation rather than by legislation. This is surely the sign of a government that sees little value in consultation or democratic principles. Democracy entails more than the right to vote every four or five years; it entails the right to participate in government and have input into legislation as we in Ontario have known historically.

A 211-page bill that covers everything from labour law, health care, policing, municipalities, taxation, mining, firemen, privatization, pensions and public disclosure to conservation authorities etc says to us that this is an attempt to avoid meaningful dialogue. The 2,000-page schedules and appendices that form part and parcel of this bill again, by the way, are almost impossible to get, let alone digest. This confirms our belief that this government is authoritarian, autocratic and profoundly undemocratic. Bill 26 is nothing short of a naked power grab by an extremist government. It does nothing to address the real needs of the people of this province, which are jobs.

If this government is so afraid to take the scrutiny that comes with putting legislation through in its proper historic form that it has to implement these overwhelming types of omnibus bills, we would like to give it a commonsense piece of advice: If you can't stand the heat, get out of the kitchen; or, as that noted reformer Tory Francis Sheehan would say, "Give them the boot." We look forward to just that.

I just want to make a response, in closing, about union leaders' wages. I think the previous presenter addressed that most union leaders' wages are public information in bylaws and public information in constitutions approved by the membership. But I wouldn't be so concerned about anybody's wages, because we always fight to improve people's living conditions and standard of living.

I would be more concerned about the amount of tax dollars that individuals pay out of their paycheques who don't run away and hide in some tax shelter. That's a concern. That's the reason that the middle class feels upset about having to pay all these taxes: because others are not paying their fair share. If others started paying their fair share, there would be little need to cut back on programs that are needed out there by single mothers and other individuals, the disabled and so forth.

Those are the concerns that you as a government should be addressing, not how you can cut and where you can cut and where you can download expenses.

1420

**The Chair:** Thank you, gentlemen. We have three minutes for questioning, starting with the third party.

**Mr Silipo:** As quickly as I can, let me just say thank you for the presentation. I just wanted to address the point that you made at the outset, which is that you saw the government's actions on this bill as being a wake-up call to people. Then you went on to outline very clearly a number of steps they've taken to attack the poor, the average Ontarian, attacks on women. Pay equity, as you noted, will mean that not only will about 100,000 women no longer have the benefit of pay equity, but those are also the 100,000 women who are among the lowest-paid women in the province and will no longer be able to have the benefits of pay equity.

My question to you really is this: Are people beginning to heed that wake-up call? Are people beginning to take note of the true colours of what this Conservative government is all about and how different that even is from the picture that they painted during the election?

**Mr MacNally:** Let me respond to that from my personal experience. It's no secret that probably 45% of my membership voted for the Tory government based on the Common Sense Revolution and the attractive promises that were in that, plus this government was able to touch the button of resentment. But if an election were held today, I could guarantee this government that they wouldn't get the 45% of our membership support that they had back last June.

**Mr Gerretsen:** They'd want a recall, probably.

**Mr MacNally:** Yes. Maybe that's what we need: a recall process.

**Mr Kormos:** Brothers, welcome, and once again congratulations for managing to find your way in here after seeing aboriginal people, seniors, the Niagara Region Police Association, even the Wine Council of Ontario, denied access to these very important and public processes. It should be public; it should be democratic.

Look, you know that the government's doing a whole lot of backpedalling now, doing a whole lot of scrambling to try to put some positive spin on this. They are surrounding themselves with little people, little functionaries. I want you to meet some people. I want you to meet Kim Hume. She's the one staff person here for the New Democrats. I know Mr Lopinski is here. He's the sole staff person with the Liberals; he may not be in the room. Will the Tory staff people, will the Tory spinsters please stand up? Don't be shy. There are four or five of you, I know it. There we are.

Notwithstanding all the money and energy being expended in trying to put some positive spin on this incredibly totalitarian legislation, do you think there's been any success? You've been reading the papers; you've been watching the news programs. Did you see CBC last night reveal the highly secret and devious process that was used to develop Bill 26 without even the knowledge, never mind the consent, of the Tory backbenchers? And they're not pissed off about that? I'd be raving at the prospect of being elected and not being consulted.

**The Chair:** Thank you, Mr Kormos. I apologize for interrupting you, but the three minutes for your caucus have come to an end. The member from the government caucus.

**Mr MacNally:** Can I answer the question, please?

**The Chair:** No. We have a certain amount of time per caucus.

**Mr MacNally:** Yes, but he asked a question.

**The Chair:** I'm sorry.

**Mr MacNally:** I didn't really get to the see the CBC last night, unfortunately. Because of some of the other pieces of legislation this government—

**The Chair:** Mr Froese has the floor.

**Mr Froese:** Thanks for coming and making the presentation. I think Mr Sheehan will be happy to note that you quoted him. I will pass that along.



At the beginning of your statement you had indicated, and rightfully so—although you talked about it verbally, it's not in your written comments—that Bill 26 was to achieve fiscal savings, restructuring, streamlining, and create efficiency.

I understand that you disagree with the writing of that bill, and that's noted. However, when we're looking at doing public hearings and getting presentations like yours from different groups, we understand that when groups come forward they want to give their opinion as it relates to their own group, to the people they represent, and that's good. We need to hear that because I'm sure there are going to be amendments to the bill and we need to get input and that's why we have the public hearings, to get that input. I probably will address this later on in the afternoon to several other groups as well.

When groups come forward they just specifically talk about their own area or what's in the bill, how it relates to them or how it affects them, but I'd like to see the process broadened a little further. I'd like to ask you to give, if you can, a positive criticism.

If you were given the financial situation that we are in, where we're spending \$1 million an hour more than we're taking in, where we have \$100-billion debt and it's growing, what would you do to change the situation where we can bring this whole province back into the proper fiscal responsibility that we are elected to do, that we campaigned on?

What amendments or criticism or what positive feedback can you give to us in specific areas, how we can solve our situation?

**Mr MacNally:** I think the first thing you've got to do is take this and the 2,000 pages and throw them in the garbage. That's the first thing. That's positive criticism.

The next thing you have to do is strike job creation programs. The reason you're in this situation is because there's not enough revenue coming into the government to support the programs. If you're really sincere about the government financial situation—we keep hearing about the deficit and the money that government has to borrow, but nobody, not one government in many years, has issued to the people in this province what the total worth of their assets is.

I think if we were all to take the same action that governments do as individuals, there would be no need for banks or lending institutions. We would all stick strictly with what we could purchase with cash and so on. That would certainly hurt a lot of the people who supported your government the last time around.

**The Chair:** Mr MacNally, I apologize for interrupting, but we're now getting into the opposition's time.

**Mr MacNally:** He asked me for an answer. I'm trying to give an answer.

**The Chair:** I realize that. We have a certain amount of time for questions and answers.

**Mr Bradley:** I have a question that you started to lead into at this time, I think. It emerges from the questioning that Mr Froese began: how you might address some of the fiscal concerns that people in the province have.

Would I be safe in assuming that one way you believe might help to address the fiscal concerns would be to

forgo a 30% tax cut, which will cost \$20 billion over five years—I have this from the Common Sense Revolution figures right here—which will cost \$20 billion and force the government to pay \$5 billion in interest rates alone? A lot of that interest is being paid to foreign people. Do you think that might be one way in which the government could address its fiscal concerns?

**Mr MacNally:** Certainly. It doesn't make much sense. It doesn't make any common sense, that's for sure, to make a commitment to pay back to people, and in this case a fairly small handful of people, \$5 billion in income tax privileges when you have to borrow to do so. It's not helping the fiscal situation, but it's certainly going to worsen that fiscal situation.

We tried this economic philosophy before, the trickle-down effect, and basically that's what the Common Sense Revolution is, and we all know it has never worked. It has never worked and it won't work this time.

People out there don't really want the tax cut. They want to feel secure in their employment, and because of Tory federal government policies in regard to monetary issues and trade issues, people are very insecure in the private sector and now are becoming even more insecure in the public sector.

**Mr Bradley:** The CAW, which is part of the labour council in St Catharines, had established a number of years ago an environmental committee. Mr Gould made a few comments about that, made reference to some of the concerns he has, which I happen to share, about the environmental implications of this bill and the general policy.

Do you see, through the restructuring and the claw-backs we see within this legislation, the diminishing of the importance of the protection of the environment, whether it be at the municipal level or the provincial level? Do you see provisions in this legislation that will cause that to happen?

**Mr MacNally:** I see some very drastic negative impacts on the environment within the province. I would liken Ontario five years from now to being the Maquiladora of the north.

**The Chair:** Thank you for coming forward today and making your presentation to the committee.

1430

JOHN DAWSON

JANE HUGHES

**The Chair:** Could I please have Mr John Dawson come forward. Good afternoon, and welcome to the committee. You have 30 minutes to make your presentation, which you may use as you see fit. You may wish to leave some time for questions and comments from the three caucuses. I'd appreciate it if you'd introduce yourself and the person accompanying you.

**Mr John Dawson:** Thank you, Mr Chairman. My name is John Dawson. I'm a regional councillor. To my left is Jane Hughes, who is also a regional councillor from St Catharines.

Thank you for allowing me to convey my personal views on this proposed legislation. I must stress that they are my thoughts on how I feel the bill, if implemented,



may affect regional Niagara, not those of the regional municipal government. I am happy to hear that so many individuals who have spoken before me have the same feelings I have in regard to this legislation.

My first area of concern is the municipal regional restructuring process as proposed in the bill. We must first bear in mind that the current two-tier system was put in place 25 years ago by a Conservative government. I can recall running for regional office in the late 1970s, questioning at the time the imperfections in the two-tier idea, the flaws, notably the overlapping of services, duplication of effort, the voter feeling remote from decision-making, or which level of the two tiers had control of the vast array of policymaking decisions. Many of these problems still exist. Conservative governments of the past must take the major thrust of the criticism for not improving the system while in power for many years.

I have to question the haste in these changes now when they may involve substantial layoffs at the region when there is already wide-scale unemployment in the peninsula.

Bill 26 will give the minister the power to reorganize most municipalities that are not part of regional governments, with no public input. The Conservative government has already slashed 47% in grants to the region over two years; someone mentioned earlier \$8.7 million. This means much less money will be available for roads, child care, health care and many other services. Further job cuts as a result are imminent.

I would suggest that we establish in Niagara a body similar to the Golden commission in Metro Toronto consisting of urban and rural planners and agricultural experts. Their final report could then be available for public discussion at public meetings throughout the Niagara Peninsula.

However, regional Niagara has not been without its success stories. Waste management has been, after lengthy discussion between the region and neighbouring municipalities, collectively resolved and placed under regional jurisdiction. The waste management concept is slated to save the region over \$50 million over five years upon implementation. Market value assessment took years to resolve. MVA still has its dissenters, but it's ready to go on stream.

The point is that these two important areas were resolved with little interference from the province. Indeed, they were encouraged by the previous government at Queen's Park. Market value assessment will bring about a high degree of fairness in municipal taxation, something we lack at the provincial and federal levels of government.

On the topic of a bylaw to assume local power, where an upper tier may pass a bylaw to acquire jurisdiction over local matters, sensitive and parochial politicians and voters, in spite of the majority-rule conditions Bill 26 would place upon the bylaw, it still would be difficult to get consensus. A whole series of bylaw and jurisdictional changes will require time, money and a great deal of effort. This is why I believe Metro Toronto's approach has a better chance of success.

On the topic of regressive user fees that Bill 26 endorses for the cash-short municipalities, I believe it

amounts to double taxation, a double whammy hurting the poor in Ontario. Many of the services are now paid through our property taxes. It is indeed ironic that MVA strives to bring about a measure of tax fairness at the regional level and that government is restoring it with a user fee tax. Queen's Park is downloading their financial problems on the backs of municipalities without any regard to the consequences.

The Conservative government, on the one hand, is proposing a tax reduction mainly to benefit the rich, then at the regional level you are sanctioning the imposition of another user fee tax, mainly on the backs of lower- and middle-income Canadians. You are shutting the doors to the libraries, the skating rinks, the baseball diamonds and other forms of pleasure for ordinary Ontario residents. These taxes will fall on those least able to pay. Even police and fire services could be subject to extra charges.

I would like to now address the potential decline and fall of the Niagara Peninsula Conservation Authority, whose budget will be cut by the Harris government by approximately 70% over two years. In my view, this is extremely short-sighted. Parks may be shut down or additional hefty user fees could be added. I feel the NPCA serves a good purpose in our watershed and in the maintenance of sensitive environmental areas in the peninsula. Confining their function to flood control only does not make good economic sense.

Bill 26 makes the privatization of public services much easier and removes the requirement to have a municipal referendum. A casino, on the other hand, required a province-wide referendum, according to the Premier. Will the passage of Bill 26 mean that services that don't make money are abandoned? In a free society, people have a right to know about the stability of their transit, water and sewer services or their local electric utility.

Energy and environment grants worth \$24 million are being cut by the Harris government, and to make matters worse, the highly successful blue box money will be eliminated over two years, with nothing to replace it. Will the cost to finance the blue box program fall as well to the user fee tax or to the cash-strapped municipalities? The taxpayers have a right to know the answers to the hidden agenda of Bill 26.

Funding for the Ontario Energy Board, the Environmental Appeal Board, the Niagara Escarpment Commission and the Environmental Compensation Corp are being cut by an average of 15% with no doubt accompanying job losses. How are these worthwhile agencies expected to function properly?

The Forest Fires Prevention Act, the Lakes and Rivers Improvement Act and the Public Lands Act are all being amended to allow more activities to take place without a permit. This includes damming of rivers and streams. Will these new rule changes proposed in this bill reduce the safeguards on public lands owned by the parks commission, the escarpment commission or the conservation authority? These are questions the public wants answers to now.

Finally, your drastic funding reductions to the region are forcing them to consider public-private partnerships in service areas under their jurisdiction. Public money has built an envied public health system in this province. I



am not willing to cede social policy, especially in the health field, to the private sector. Bringing in private partners will raise the cost of health care to the citizens of Niagara.

Everyone is aware of the relationship full well by now, that Canada's health care costs are around 9% of GDP while in the US they are in the 15% range, with 35 million Americans without any health coverage. Our public system is much more efficient without private interference. If Bill 26's objective is to achieve fiscal savings, citizens of the region of Niagara will surely not share the bonanza, but the US-based private health firms will. We can't seem to get these financial facts into the minds of the ideology-driven Conservatives. We have, of course, several coming into Ontario already.

1440

Another casualty of your policies are the children of Niagara, through the diminishing day care spaces available. Young people with children making only minimum wage simply can't afford the high cost of private day care. If you remove funds from regional day care, then the young families may have to resort to welfare. By cutting the funding to municipalities for Jobs Ontario training spaces from 100% to 80%, 14,000 subsidized child care spaces have been threatened in the province and are under review at the regional level.

In short, the government's actions since elected have created financial chaos in regional and municipal finances and operations, be they day care, seniors homes or the lack of protection for farm land. I refuse to accept the proposals in this document.

Finally, I find it unacceptable for the government to charge interested and concerned citizens \$20 with tax for a copy of this hard-to-obtain omnibus bill and for each presenter to have to make an additional 25 copies, at his or her expense, of his or her presentation material. If one were cynical, they could be looked upon as obstructions to inhibit citizens from speaking out as one should be able to do in a free society.

**The Chair:** We have six minutes per caucus for questions. Let's start with the government caucus.

**Mr Hardeman:** Good afternoon, sir. From your presentation I can assume that you've been involved in regional government for some time, as the presentation suggests that you were running for office in 1970.

**Mr Dawson:** Yes, I have been in Niagara for 44 years.

**Mr Hardeman:** I'm sure you have considerable experience in this area. I'd like to explore the issue of the restructuring initiatives and your suggestion that the process that's being proposed for municipalities outside the regional areas and the county of Oxford is not appropriate. But then you go on to suggest that a study, such as has been done in the Metro area, should be looked at in other areas such as the Niagara region. Could you highlight for me the difference you see between the process of the commission in the legislation and the Golden task force appointed by the former government?

**Mr Dawson:** I don't know really what you're getting at here.

**Mr Hardeman:** The legislation outlines a form of restructuring where the local municipalities can request,

in certain numbers, or one municipality can request the minister to appoint a commission to look at restructuring. The minister can then appoint that commission to go through that process. That's the same process that I believe was followed in the Metro area. Some concern was expressed about the form of governance and the former government appointed the Golden commission to look at reforming that. I wonder what you see as the difference between those two.

**Mr Dawson:** Are you're saying that if a municipality requests that, or a region, the Minister of Municipal Affairs would grant this request?

**Mr Hardeman:** Presently the minister would look at that request for areas outside of regional government. My question is just that if that was added to the regions, would you see that as a good alternative? Is that the type of approach you would want for Niagara and the other regions?

**Mr Dawson:** I like the idea of the Golden report, whereby you have experts assessing the situation and then going out and getting public response. We're not getting too much public response in this way.

**Mr Hardeman:** It's fair to say then that your suggestions would imply that if we amended the legislation or added in regulations the requirement of commissions to actually go out and hold a regulated amount of public hearings to get the public's view, this would be a good—

**Mr Dawson:** I would like, sir, far more public input than presently is taking place in regard to changes.

**Mr Hardeman:** But you would agree that the present structure before Bill 26 has absolutely no opportunity, no mandated place for public input? The minister decides at a certain point in time that municipal government isn't working properly—as the case in London—Middlesex, the minister appointed an arbitrator and then implemented the arbitrator's report.

**Mr Dawson:** But, sir, Bill 26 doesn't give us much leeway in that regard either, does it?

**Mr Hardeman:** No. I bring it out that the appointing of a commission is one step further than what previously was required. I was just asking if you see that adding on mandatory public consultation, whether that would serve your needs?

**Mr Dawson:** Yes, I think so.

**Mr Hardeman:** I think the other issue that you're concerned with, the municipal user fees or the ability to charge user fees is of some concern. Do you not feel that presently municipalities have considerable leeway on user fees as they exist, with no restrictions? I use garbage collection as an example. There are quite a number of municipalities in Ontario that presently charge user fees for garbage collection and disposal. A lot of municipalities, even though they have had financial difficulties in the past in setting their budgets, have decided, because their ratepayers would not take out an acceptable method of raising funds, not to do it. Do you see that changing, that we are going to get less responsible municipal politicians because they have more options or different areas to look at?

**Mr Dawson:** I hope they don't have to resort to this unbridled use of user fees at the municipal level. I certainly don't think the people out there want this or



give their municipal politicians that mandate. Little people have been taxed enough already. I can suggest to you many ways of improving the deficit position, if you feel you'd like to hear my views on that.

**Mr Hardeman:** I'm sure we would. I'm just curious why we would presume to think that giving more options, more local autonomy, would take away the local political concern for the ratepayers and that they would then all of a sudden go hog-wild, so to speak, in charging user fees when they've had the opportunity to do that in the past and the majority have decided not to exercise that.

**Mr Dawson:** If they're cash-strapped—I've heard and read in many instances where some municipal politicians are ready to jump into the user fee concept, and I don't think the people want all these user fees when they're already paying for their services in property taxes. I can't see huge numbers of user fees at the municipal level. People are not going to—

**The Chair:** I'm sorry to interrupt, Mr Dawson. Mr Gerretsen.

**Mr Gerretsen:** It's always nice to talk to a municipal politician since I was privileged to serve in that field for 16 years as well. I've certainly a great admiration for the local level of government.

I was also heavily involved with AMO and I know where all these recommendations come from. They come from AMO, because the government did consult with AMO but not with the general public, and the general public in the whole restructuring model have been completely left out of the situation.

**Mr Dawson:** That's right.

**Mr Gerretsen:** And would you agree with me, sir, that Mr Hardeman's or your own—comparing it to the Golden commission is something totally different. In this act, the minister can appoint a commission and that commission can do unilaterally what it wants and there's no appeal to anybody, not even the minister; whereas the Golden report goes to the minister and then the minister can do whatever he or she wants to do with it. Would you not agree with me that this is a totally different aspect to that?

1450

**Mr Dawson:** For the government to holus-bolus accept AMO's views on changes to the municipality and this sort of thing without more public input—I don't think we should do that. We could look upon AMO as a interest group, can't we? They're an interest group with an axe to grind. Why not get more public input on changes at the municipal level?

**Mr Gerretsen:** And would you not agree with me that what makes a local government work is the fact that a lot of the processes have to involve the public by public hearings or otherwise?

**Mr Dawson:** Yes, I would agree. We've got to get more public input, certainly.

**Mr Phillips:** I'm interested in your views on restructuring, and the shifting of powers from the lower tier to the upper tier. My understanding of the way the bill is written is that here in the Niagara region, if a majority of the local council, and a majority of the region, want to have, for example, one fire department for the whole area, even though perhaps the city of Niagara or perhaps

the city of St Catharines didn't want to do it—but if a majority of local municipalities and the region want it, that the amalgamation of the fire department has to take place. Is that something you and the region favour?

**Mr Dawson:** It was done in regard to waste management, but it took a great deal of time and effort on market value assessment. Yes, but I'll tell you, it takes an awful lot of time to get consensus on these things from the municipalities.

**Mr Phillips:** I don't think you need consensus here; you just need a majority of the municipalities voting in favour of it. You could even have five or six local municipalities that have no interest in amalgamating the fire department, but if a majority—

**Mr Dawson:** Would you bring in the fire department personnel themselves for interviews?

**Mr Phillips:** Me? I'm saying this is what the bill does, sir. I'm just trying to get a feeling of whether the regions support that portion of the bill that would allow, for example, the amalgamation of the fire department, even if five or six local municipalities were dead set against it. Is that a provision you favour?

**Mr Dawson:** If the rest of the municipalities were dead against this?

**Mr Phillips:** Yes.

**Mr Dawson:** Is this your interpretation of the bill?

**Mr Phillips:** Yes, that is the bill.

**Mr Dawson:** I couldn't agree with that. Perhaps my colleague has something to say.

**Mrs Jane Hughes:** What you have to look at is, in the case of the waste management, for instance, the region has not yet officially taken over waste management because there are still three or four municipalities that are uncomfortable with it. So we're deferring until we have comfort from all the municipalities. This is the way the Niagara regional municipality works. It's not a straight sort of "51/49, you lose; sorry."

**Mr Phillips:** That's what the bill says.

**Mrs Hughes:** That's not the way the regional municipality of Niagara is working right now.

**Mr Phillips:** You would prefer not to support a bill that provides that provision, then.

**Mrs Hughes:** I think you have to allow for flexibility here. You can't just say, "This is the way it's got to be, 51/49 is no good, therefore it's got to be 75/25." You're still playing with numbers. What we have here is a local issue and a local way of doing things—

**Mr Phillips:** I'm just saying that a big part of this bill is to provide for forced annexations and forced merging of services, and I'm trying to get a feeling from some senior people like yourself in the area whether you like the provision of the bill.

**The Vice-Chair:** I'm sorry, it's time for the NDP.

**Mr Silipo:** Perhaps I can pursue that a little bit. I think the point Mr Phillips was making was to try to point out the differences between the experience you described, which is that through a process of discussion and consensus eventually over all of the municipalities and the regional municipality, agreement was reached on the issue of MVA and the waste management issue as well. Under this bill certain municipalities would be able in effect to get around that consensus-building by—as



long as you had a majority of certain municipalities, then certain changes in shifts of power could take place, and that I think is one of the problems that we see with the bill.

The question I wanted to ask you was to ask you to talk a little bit more about the kinds of things that you see, and I appreciate that you're here as individual members and not speaking on behalf of the whole regional council, but could you give us some sense of the kinds of choices and your sense of where the decisions may go, if you have that, in terms of how the regional municipality is going to deal with the over \$8 billion in cuts that are coming this year, and whatever else is coming next year?

What, if any, from among the provisions that are in this bill is a municipality likely to use? Are we likely to see more user fees? Are we likely to see the municipality looking at adopting some of the tax measures that are in this bill? Are we looking at cuts in services? What do you see is going to happen?

**Mr Dawson:** Unfortunately, regrettably, I see there may be cuts in day care. The day care spaces will be privatized, unfortunately. I see they are talking about public-private partnerships in health care and other areas of the region, which I do not agree with. I'm afraid it will be cuts in roads, day care, in senior citizens' homes. There are already talks about cutting there as well.

**Mr Silipo:** Mr Chair, do we still have time?

**The Vice-Chair:** Yes, you still have four minutes.

**Mr Silipo:** One of the things that we've heard from the government members on this committee and from government spokespeople before even is that the extent of the fiscal crisis, as they describe it, really warrants these kinds of extraordinary measures that they are putting into this bill, both in terms of powers to the minister, in the case of Municipal Affairs and Health, and in terms of giving, as they've also to municipalities, these broader powers to tax so that things could be tuned to the local circumstances. What's your reaction to that?

**Mr Dawson:** I don't feel that's necessarily good with these broader powers to the municipalities. For example, I mentioned earlier about public-private partnerships in the health field. That may alleviate costs to the region, but what is that going to do to the consumer out there in the area of health costs? My colleague would like to—

**Mr Silipo:** Please speak.

**Ms Hughes:** I've just been looking a little bit at the New Zealand situation. Ten years ago New Zealand put into effect exactly the same sort of thing that this government is putting into effect. Their deficit has doubled. Their public debt is 350% higher than it was before. Their private debt is 300% higher than it was before. Basically, these measures which our government is putting in effect which are supposed to reduce the deficit are not going to reduce the deficit if we go by New Zealand.

**Mr Silipo:** One of the things that I found striking in following this process has been comparing what we've been hearing from municipalities against the 44%, 47% cuts that are coming starting this year and following into next year, comparing the reactions, and I appreciate very much that your sentiments are different than what I'm about to describe.

But if I can be blunt about it, comparing the kind of generally lukewarm reaction against the government's cuts from municipalities versus the kind of hysterics that we heard a couple of years ago when we were dealing with 1% and 2% cuts, the only thing that I can keep going back to is this backroom deal that we've been talking also about, in the sense that in discussions with AMO, it's becoming more and more obvious that what's happened in this case is that the government has basically said to that organization: "Yeah, we have to cut. We're going to cut you in terms of funding, but don't worry, we're going to give you all these additional powers so you can raise taxes and you can raise user fees and you can basically get the taxing power that you want and therefore make up for the shortfall in provincial grants." Is that kind of an oversceptical view of things or is that what you're seeing out there as well?

**Mr Dawson:** I'm disappointed that some of the heads at the region and perhaps at the municipal level are not fighting back strongly enough against what's going on, but there are some at the region who are deeply concerned about cuts that are affecting day care, senior citizens' homes and other services like this. We're really concerned.

**The Chair:** Thank you, Mr Dawson and Ms Hughes, for coming forward and making your presentation today.

**Mr Dawson:** Thank you very much, Mr Maves, and to the rest of the party here. I knew your grandfather, by the way, sir, many years ago. I used to sign him up, by the way. I just wanted to know, where did you go wrong?

**The Chair:** I guess, Mr Dawson, I should have cut your mike.

1500

## CITY OF NIAGARA FALLS

**The Chair:** May I please have Mayor Thomson from the city of Niagara Falls come forward. Good afternoon and welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may decide to leave some time at the end of your presentation for questions. I'd appreciate it if you'd both introduce yourselves at the beginning of the presentation for the benefit of Hansard and committee members.

**Mr Wayne Thomson:** I'd like to introduce myself, Wayne Thomson; I'm the mayor of the city of Niagara Falls. With me is John MacDonald who is our director of community services. I want to start off with a little preamble before I start reading the brief.

It was interesting to hear the comments about regional government. I think the comments about Niagara Falls with respect to regional government are fairly straightforward. We're I guess known as the municipality of referendums. We had a referendum in 1991 and an overwhelming majority of the community voted against eliminating regional government. So I think that states basically what the citizens of Niagara Falls feel.

I also want to just give a brief word that it's very difficult to be here today to justify further cuts in the budget to the city of Niagara Falls. In the last four years—actually five years counting because we've



already basically established our budget for 1996—we have taken a very active approach to looking after our spending, controlling the budget, and we have had great success.

We have just finished, and if we continue the way we're going, this will be our fifth year of a reduction each year in our municipal budget. We have attained over 9% reduction in our municipal budget over the past four years. I think we have been very responsible in trying to control our spending and making sure that we became more efficient, effective.

We reduced our municipal staff over 70% and cut over \$2.5 million from our budget annually and we have done that in spite of a deep recession, a decline in tourism, and also with a market value assessment situation where the city of Niagara Falls had paid \$4.2 million annually over a period of 10 years. I think that along with that we had a substantial amount of unemployment, sometimes being number one in Canada, which was very difficult to deal with. We had arrears to the tune of 24% in our taxation, which is probably unheard of in municipal government.

We've had a very difficult time in the past many years, and I want to suggest to you that we have done our job over the last four and five years, and now in spite of all of the effort that we'd put forward, when other municipalities have not been responsive, we have found that we are now asked to take further cuts, after we've been through the previous government with its social contract, taking a \$1-million hit last year, and now we're taking another substantial hit again this year.

We're really at the bottom of the barrel with our spending cuts, and in spite of an article that is headlined in the Niagara Falls paper today where the mayor indicates that Niagara Falls has no worries with respect to money as a result of a casino, and we're very thankful for the opportunity, that relates to spending for infrastructure and other tourism-related activities. It does not relate to the fact that we have some very difficult problems in dealing with the spending cuts and are going to have a very difficult time to deal with that over the next year.

I might also say that we also have been proactive with respect to our preparation of our budget. I would suggest that the government take into consideration early preparation and information available so that municipalities can prepare their budget prior to the end of the year. That way, we have a financial plan for the year. We've done this for three years, four years in a row now, where our budget was passed by December 15, so that we can spend properly. We do not have rushes to spend money at the end of the year. Any of the agencies we provide funds for are also given fair indication of what happens with respect to their budgets and their spending.

I think if there was a cooperative effort with the government, with the assessment people, to try and get the information to municipalities so that we could have our budgets prepared and have a financial plan for the year, it would certainly be positive for all of us. It's done across the border in Niagara Falls, New York. There's no reason why it can't be done here.

On behalf of the city council, I want to suggest that this brief has been endorsed unanimously by the city council of Niagara Falls. On behalf of the council of the

city of Niagara Falls, I would like to extend our thanks to the committee for holding a hearing in the city and providing us with the opportunity to make a presentation on issues which are important to our municipal government.

In view of the very short time provided to respond to this bill, neither staff nor city council have had the opportunity for full discussion of its potential impacts. However, we do wish to make this brief submission today. Ideally, we should have a much longer period of time to consider a bill which proposes amendments to 47 different acts and contains over 200 pages.

We appreciate that the current Ontario government is actively pursuing control of provincial debt. The city of Niagara Falls has successfully worked without deficit and has continually been accountable to the public on its spending; thus we applaud the province's efforts to be similarly responsible.

Sadly, the step towards provincial deficit reduction represents a dramatic impact on local government with the reduction in our municipal transfer payments of \$700 million. Our city has learned just last week, after we had prepared our budget, that its transfer payments will be \$700,000 less. We thought initially it was going to be \$350,000, but with the final figures coming in this is \$700,000 additional to what we thought it was going to be reduced, less than the original projected, thus resulting in a \$1.7 million or 40% reduction in provincial revenues to the city.

The pain of this substantial loss in revenues will be eased only slightly by the introduction of Bill 26. While we support the concept of Bill 26, a major concern we have is the vagueness with which this bill is written and the lack of regulations to provide the detail required for clarification. We are also concerned that, on one hand, the bill purports to provide power and autonomy to the municipalities, but through the bill reference is made to the minister "may" make regulations. We are left with an uncertain feeling as to the powers we are receiving.

The reforms proposed in Bill 26 will provide the city with some of the tools necessary to deal with these funding reductions. That is not to say that these changes will not be without cost to our citizens. Each resident and business operator may be faced with additional expenses, reductions in service and increased fees, and this is not very palatable to us, nor to our citizens in the city.

We encourage you to ensure that the reduced share of provincial funding and municipal activities will be reflected in reduced provincial taxes paid by our citizens. It would be unfair to expect that each of these taxpayers would have to pick up the additional costs borne by the municipality because of the reduction in provincial transfer payments, while continuing to pay taxes at the current level to the province of Ontario. The provincial government, accordingly, must make good on its promise to reduce the level of taxes paid by the citizens of Ontario.

**1510**

I wish to direct my comments to the key issues in schedules M and Q of Bill 26, which have the most relevance to the city of Niagara Falls.

With respect to restructuring, the powers to restructure municipalities do not affect Niagara Falls because of its



location within a regional municipality. We wish, nevertheless, to go on record as supporting the effort of the province to provide for reorganization of municipal government to improve efficiencies.

What we cannot support is the proposed legislation which will allow for the unilateral restructuring of municipalities by the minister upon recommendation of a commission established by the minister. The city supports and calls for the modification of this section, in that the minister will establish a commission only at the request of a municipality. Solutions to improve efficiencies by restructuring must be locally driven, since it is at this level that the citizens are most affected.

The provision of services: Powers to transfer municipalities between the city and the region of Niagara are a welcome change. This will place the ability to determine which municipal government provides what service squarely at the local level. This will allow for the disentanglement of government services currently being experienced. The city and the region have worked through a number of transfers in the services in the past, such as reallocation of road jurisdiction and waste management as well as participation in combined purchasing programs. These efforts to achieve efficiencies have not always been easy, given the legislative parameters requiring provincial rubber-stamping. Therefore, we support the provision in the bill which allows local governments to decide which level of government is most suited to provide specific services.

The absence of regulations which prescribe services and facilities to be transferred becomes an issue. We are concerned that these regulations could nullify the municipality's ability to truly determine areas where real savings and efficiencies could occur.

With respect to boards and commissions, the powers to change or dissolve local governments and bodies is seen as a very important component of this bill. While it is not the intent of the city of Niagara Falls to dissolve existing special-purpose bodies, it is recognized that greater municipal accountability can be achieved through these proposed changes. The city of Niagara Falls maintains healthy relationships with its various boards and commissions. We are happy with the present system of volunteer appointments and with the contribution made by these individuals.

Through municipal appointments and the budgetary review process, the city of Niagara Falls has been able to achieve responsible management. Further, we have been able to avoid duplication of services by assuming certain responsibilities with these boards. The Niagara Falls Public Library is a case in point. The city provides accounting services to the library, gives legal assistance and participates in building maintenance. Therefore, the city supports the intent of the legislation to give the municipalities more autonomy over decisions involving the provision of services and the use of municipal tax dollars should it be the wish to avail itself of this service of the bill in the future.

Fees and charges: The charges proposed to allow municipalities to charge user fees for the purposes of raising revenues is a really double-edged sword. On one hand, the taxpayer already pays for the basic level of

service, but on the other hand, the individual may be expected to pay another charge to use certain facilities, and thus experience what equates to a double payment.

Further, the utilization of fees for service will hit the low-income person hardest because percentage of income is higher for the individual than for a middle- or a high-income earner. Excessive charges will not be tolerated by the local citizen, and we have already had that experience. While the city supports the provision to expand municipal powers to charge user fees in response to provincial cutbacks, we must be cognizant of the person receiving these services.

With respect to licensing, the powers to license and expand the range of businesses are welcome by the city of Niagara Falls. The ability to license the types of businesses which establish and set regulations for operation will provide an opportunity for local control which is long overdue. The municipality will not be able to control the type of business which may come into the municipality. The city recently experienced the frustration of not being able to regulate a business when it learned a legislative mechanism did not exist to license tattoo parlours or studios. In addition, the opportunity to charge licence fees will provide an alternative source of income which will be necessary, given the diminishing provincial funding, which again we feel is another tax on our citizens.

The Ontario municipal support grants: The city welcomes the autonomy being afforded the municipality as a result of proposed legislation to replace conditional and unconditional grants with block funding. Although we lament the reduction of the provincial funding to municipalities, we view the introduction of the Ontario support grant act as an opportunity to allow the city to manage its moneys in a way which is consistent with local needs and priorities. However, these support grants would be tied to provincial regulations not yet established, which concerns us.

We recognize that the province has the responsibility to set standards and monitor performance, yet we have concerns with the wording of Bill 26. This section would allow the minister to make regulations which would require municipalities to comply with provincial standards. Accordingly, we ask that the draft legislation be modified to require that municipalities "have regard to" provincial standards rather than requiring compliance.

If the intent of the proposed changes is to give local government more autonomy, the opportunity must exist to allow municipalities to participate in setting any standard. In the case of Niagara Falls, the local needs may be unique because of the volume of tourist traffic. The act must not be overly restrictive, otherwise the city's ability to act in the best interests of the community may be jeopardized. Furthermore, we believe the establishment of provincial standards should not be tied to block funding.

With respect to arbitration, with regard to Schedule Q concerning amendments to involving arbitration, I will restrict my comments to the area of the Fire Departments Act. The provision which requires arbitrators to consider the employer's ability to pay before making an award is supported by the city. We would ask that this provision



go forward by adding "consideration of ability to pay be without additional increases to property tax."

In 1991, the city of Niagara Falls was successful in obtaining an interest arbitration award with respect to the 1991 firefighters collective agreement, which was tied to the city's ability to pay. We are pleased to see these being reconsidered in this legislation.

In conclusion, I would like to re-emphasize that the city of Niagara Falls, unanimously as a council, supports the changes outlined in Bill 26 to give the local municipalities more autonomy, the ability to exchange services with regional government, the opportunity to charge fees and license businesses. The changes introduced by this bill will not totally negate the impact which will be experienced by the city of Niagara Falls because of the provincial government reductions in payments, but will help ensure services are delivered efficiently and cost-effectively.

The change to the Ontario municipal support grant structure is viewed as a positive step forward in providing local government the ability to function in the best interests of the community. It is none the less imperative that the municipality be given the autonomy necessary to run its affairs without undue regulation in order to be responsive to the community priorities.

On behalf of the city of Niagara Falls, I want to thank you for the time and the opportunity for appearing before you.

1520

**The Chair:** We have just over three minutes per caucus for questions. We'll start off with the opposition caucus, Mr Bradley.

**Mr Bradley:** I'm quite interested in many of the points that you have made, the criticisms of the bill and the fact that you didn't have much time with it.

One point I would like to clarify: When your council unanimously endorsed this, were you aware that the Ontario government would have to borrow \$20 billion over five years and pay \$5 billion in interest in order to finance the income tax break? In other words, they're going to cut the most progressive tax and leave you to increase the most regressive taxes, and that's going to cost \$20 billion and \$5 billion in interest. Was your council aware of that when they said they wanted to see a provincial income tax cut?

**Mr Thomson:** The short answer has to be no.

**Mr Bradley:** If the council were aware of those figures, do you think the council might have had a different viewpoint? I know this was thrown at everybody at the last minute. I remember what it was like when I sat on council and provincial governments would, at the last minute, fire something at you.

What I see happening is that the provincial government would like to give a tax break, take credit for the tax break, and stick you with the increased costs so that you're unpopular locally. You have to raise these regressive taxes which hit the poor the hardest and then they get away with giving a tax break to the rich, or at least cutting the tax which is the most progressive. Do you, in the light of that, feel that it would be advantageous to extend the hearings so that people would have more opportunity to make representations to this committee before the bill finally passed?

**Mr Thomson:** I don't think there is any question that we would like to have had a lot more time. This was thrust on us over the holidays. Many of our senior staff were away. Many of the political people were on vacation. We really have not had the opportunity to research this as we would like. We would like to have had more time.

We're also being thrust in the middle of the other changes that are taking place with respect to restructuring of government, which is another committee, and we have emergency meetings being called at the region, even as early as tonight, to try to deal with that. This is a tremendous amount of pressure being brought on the municipalities in a very short period of time, at probably the worst time to try and consider these things. So we're not happy.

We appreciate the government's responsibility in trying to control spending. We don't like the opportunity of having it thrust down on the municipalities. We're the ones who are passing it on at the local level. We're passing that on, and we're trying not to, to the local level. It's not being accepted very well, and we're trying to control it here, but it's very difficult.

**Mr Bradley:** Your municipality, I say to the committee by the way, deserves a good deal of credit for making very difficult efforts that you've tried to make over the past five years to hold taxes in line at a time when it's been very difficult to do so. I can certainly understand your consternation when you're cut by \$700,000 more from the province at the very time that your council has made some really gut-wrenching decisions in terms of the services it provides.

**Mr Silipo:** Mayor Thomson, you've mentioned at least three times that I've noted down, and perhaps more, the uncertainty that you see is being caused in various areas, whether it's the shift of taxing powers, the shifts between levels of powers, or the fees and the new grants, the absence of the regulations and the fact that there's a lot that is yet unknown because of the way in which the legislation is written because you haven't had an ability, because of the time, to look at it in detail, and presumably because the regulations still aren't there.

Let me ask you this: Is there anything in any of those sections that you believe needs to be passed by January 29 that is so crucial in terms of the issues that affect your city and other cities, as you see it? Or, on the other hand, would you think that it would be more useful to have, say, another couple of months' time, which would also allow the government a chance to table its regulations so that you and other municipalities could see the full gamut of what they're intending to do, perhaps look at what amendments they're proposing to this legislation, together with regulations, and have a more proper package, fully thought out, within a couple of months' time?

**Mr Thomson:** I think I've made that point in a couple of statements I've made already today. We would certainly like to see some more time. We would certainly love to see the opportunity to review the regulations with respect to this act and legislation.

**Mr Silipo:** And there's nothing in here that's urgent as far as you're concerned that needs to absolutely be passed by January 29?

**Mr Thomson:** Not in my opinion.



**Mr Silipo:** Could you comment just a little bit on what the additional \$700 million, or indeed the whole gamut of the cuts that are coming from the government to you, means in terms of the kinds of decisions and the kinds of choices that council's going to have to make this year?

**Mr Thomson:** I think I made that point early on that we have been responsible. There are other municipalities in this province that really haven't come to grips with their spending and have had minor increases over the past several years in their budgets, where we have had a 9% overall decrease. We've cut our budget, and yet now we're being subjected to the same cutbacks as every other municipality in Ontario. I think if we hadn't been responsible in what we were doing in the last four or five years and we received this kind of cutback, we could have handled this without any problem whatsoever.

We are now in the position where there are going to be some pretty serious cuts. We have to cut out a volunteer bureau that organized volunteers in our community. We have eliminated our social planning council board completely. These are some of the cuts that have taken place, and these people have been wiped off the map as far as the municipality is concerned. They no longer exist because of the cuts. And I suggest that we've already set our budget for this year, for 1996.

**Mr Hardeman:** Good afternoon, Mr Mayor. First of all, a quick question on how many times the city of Niagara Falls was consulted about the borrowing of previous governments each year. Incidentally, the cost of borrowing and the amount of borrowing exceeded or was as high as it is now. I wonder if you were consulted on those.

**Mr Thomson:** I can't say that we were.

**Mr Hardeman:** It's been brought up a couple of times today in previous presentations about backroom deals and so forth with the Association of Municipalities of Ontario to deal with the M section of the bill. I was wondering, going through the M section, if you found much in the section that has not been discussed in your, I presume, long time in municipal government, that has not been discussed at one time or another between governments and the municipalities of Ontario.

**Mr Thomson:** Most of these things have been discussed for years. Some people were suggesting user fees are new. User fees have been around for years. They're just giving us the opportunity to expand and utilize them further. But that is not new, and most of the information there has been discussed for many years.

**Mr Hardeman:** The other issue is, would you say it is important that the municipal portion of the bill be passed very quickly? Niagara Falls, of course, has been very quick in its budget-setting, but a lot of municipalities would be presently setting their budgets and would require the information within this bill and the direction that it's going to give them the opportunity to deal with that in this year's budget. Do you not say that this needs to be done so they have the assurance that whatever it is they need to do can be done?

**Mr Thomson:** Certainly most municipalities are deep into the budget discussions at this time, and if these changes are being made, they would have to be made

relatively quickly. It's too bad that the information was not available sooner to provide more study, and particularly the regulations with respect to what we can really see as happening. It would have been nice to see.

**Mr Hardeman:** Finally, on average, what time of year are the announcements usually made for municipal funding from the provincial government?

**Mr Thomson:** Usually prior to budget discussions or budget preparation, but they've come at different times, in my opinion.

**The Chair:** Mr Hudak, you have one minute.

**Mr Hudak:** Mayor Thomson, thank you for coming here today. A very thoughtful and thorough presentation. I'd like to offer my congratulations to yourself and the city council who have held, and in fact reduced spending, as you said, by 9% in the past five years. Unfortunately, the previous provincial government went in the opposite direction, with almost five consecutive \$10-billion deficits.

You said you saved over \$1 million last year and, I think, quite a substantial amount in the past five years. Unfortunately, with the debt payments, we're spending \$1 million an hour more than we're taking in in revenue. All the efforts of the tough decisions, the very difficult choices that you councillors and the mayor had to make in the Falls, were waved away in a matter of an hour because the previous governments could not get spending under control.

1530

The question came up from Mr Bradley objecting to our tax cuts to bring jobs back to this province, to restore prosperity, and our commitment to balance the budget. The previous government went the opposite route, raising taxes 32 times with vaulting debt ambition. Can you please tell us, the committee, how the previous government's policies affected the economy of Niagara Falls? What's been the experience under that kind of regime in the Niagara Peninsula and the Falls in particular?

**Mr Thomson:** I was sure there was going to be a question in there somewhere. Is everybody having the same problem that I am trying to determine what the question is? Could you repeat that?

**The Chair:** Actually we've come to the end of your half-hour. I'd like to thank you both for coming forward today and making a presentation.

## WOMEN AGAINST BILL 26

**The Chair:** May I please have the representatives from Women Against Bill 26 please come forward. Welcome, ladies, to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if you'd take the time maybe from right to left to introduce yourselves for the benefit of committee members and for Hansard.

**Ms Darlene Fisher:** Darlene Fisher.

**Ms Pamela Jones:** Pamela Jones.

**Ms Sharon Bassett:** Sharon Bassett.

**Ms Belinda Yorke:** Belinda Yorke.



**Ms Emilie Fowler:** Emilie Fowler.

**Ms Wendy Sturgeon:** Wendy Sturgeon, Niagara Chapter of Native Women.

**Ms Carrie Macfie:** Carrie Macfie.

**Ms Jones:** My name is Pamela Jones. I'm speaking with Women Against Bill 26. I would ask the Chair to allow us three minutes after questions for a short special presentation to yourselves. Could you let us know when at the end of questions we will have those three minutes, Chair?

**The Chair:** Sure.

**Ms Jones:** We are a group of women from diverse walks of life who are unified in ending this unprecedented attack on women and children. We all share a vision of a caring and humane society which sadly cannot be manifested under a Harris government, a government set on destroying the lives of those who have only hope to help them through a turbulent time in their lives.

**Ms Bassett:** Once there was a large corporation called Canadiana. This company specialized in making dreams come true. It was a company with a vision, one that operated with a democratic flair. Once a week management and staff sat down to discuss problems and solutions to those problems. Input from each side was asked for and encouraged.

Smooth-running companies make more than financial gains, it was believed. Staff who contribute to company policy become part of a team. They work harder, they are more dedicated, they're more committed, they want to keep customers happy. They often ask for customers' views. They know there's no sense in producing a product if people won't buy it.

It's early December. The company appears to be in financial difficulty. It has been overspending. This becomes the week's topic for discussion. The executive director believes that in order to achieve fiscal savings—

**Mr Kormos:** Excuse me, but I'm going to go look for the rest of the Tory members.

**Ms Bassett:** Should I continue, or—

**The Chair:** Continue.

*Interjections.*

**The Chair:** No, continue. You should continue because we have a limited amount of time for each presenter, just a half-hour. We've been strict on this throughout the presentations last week and before, and I encourage you to please continue.

**Ms Jones:** I'm sorry, sir, but I thought the point of this was for your Tory members to hear what we are saying. If they are not here, there's little point of us carrying on.

**Mr Kormos:** I'll be damned if I can find them, Chair.

**The Chair:** Members from all sides often leave for a few minutes for several reasons. I can't speak for where other members are.

**Ms Jones:** Maybe they're still eating their expensive lunches.

**Mr Silipo:** I'll move a five-minute recess.

**The Chair:** A five-minute recess.

*The subcommittee recessed from 1537 to 1542.*

**The Chair:** Thank you. The five-minute recess is over.

**Ms Bassett:** It's early December. The company appears to be in financial difficulty. It has been overspending. This becomes the week's topic for discussion. The executive director believes that in order to achieve fiscal savings, the company must immediately introduce a proposal that will give management and staff the sweeping power to make decisions without customer input. Cutting and chopping services to its customers will change this out-of-control spending, he believes.

"Wait," shouts Mrs C, the company statistician. "Company stats show that our spending per customer was 9% below the national average and we are national leaders in cutting programs. I suggest we take a closer look at our figures before we ram this through."

"No," Mr Director continues. "If we ask for input, it will hold up the works. We have a plan for this company and I intend to implement it."

"Regardless of the ominous consequences?" shouts Mr K. "It's going to hurt the poor and the vulnerable."

"Look. I know what's best and I'm in charge," said Mr Director.

"What about our democratic policy of asking our customers for their say? After all, some of these proposals you make, like charging welfare recipients and seniors for prescription drugs, telling doctors where to practise, changing pension laws—I mean really, Mr Director, do they affect you? Do you want to lose your credibility? Do you want people to think this company sits in an ivory tower, unaware of the wellbeing of its customers? I mean, they do pay our salaries. They do buy our services."

"We have to show them we are listening," shouted another. "We have to have public hearings."

Mrs L slowly stood up and said: "This proposal has the potential to change 47 laws. I will not leave this boardroom until we can agree to follow our company's democratic process, even if I have to sit here all night."

"Fine," said Mr Director. "Let's not quibble over the process. All my board members agree with me anyway and ultimately we have the final say, but we will agree to a public hearing in return for the passage of this proposal on January 29. Let me see now. There are 26 of us here today, so hereafter we will refer to this proposal as Bill 26."

Thus began the ominous downslide of Canadiana and its democratic process.

**Ms Sturgeon:** Good afternoon. My name is Wendy Sturgeon. I'm here representing the Niagara Chapter of Native Women. I called early and tried to get on the deputation list and for some reason wasn't able to. This group here decided to let me have three minutes, so I'm grateful. Thank you very much.

Canada is the envy of the world. To be a child in Canada means that you are safe, it means you are protected and it means that your life is valued. Canada is a recognized leader in human rights and has been re-elected for a third term to the United Nations Commission on Human Rights. In 1993, Canada became the first country in the world to recognize domestic violence and other forms of persecution targeting women. This is from United Nations Reform, 1995.



We all know Canada played a key role in getting the United Nations Convention on the Rights of the Child adopted by the General Assembly of the United Nations. We know Canada has a reputation for peacekeeping, but did you know on the same day that UNICEF opened the World Summit for Children, as on every day of the year, it was estimated that 20,000 children died from preventable diseases, 100,000 children became malnourished, 115,000 children dropped out of primary school and untold millions faced another day of exploitation and abuse. This is from the World Summit for Children, 1994.

Our Niagara region statistics are nowhere near that. In fact, a fax that I received I think just this morning informs me that there were 53 deaths in Niagara region in 1992 that were under 20 years old; one was possibly a preventable disease.

We do live in a very wonderful country and we can understand why Canada is the envy of the world. May I remind you that the poor standard of living and lack of power of most women are reflected in the condition of children. Yes, in Canada our children have fared better than in many parts of the world. That's because we do value human life; we value our children. It must have been embarrassing, and I know it was disheartening, for many politicians and many of the public, as well as myself and many teachers, to read the headline in the Toronto Star on November 26, 1995. I have a copy here:

"UN Slams Social Cuts. 'Canada is violating the human rights of children by failing to ease poverty and cutting social programs that already are insufficient to meet basic needs,' says a senior United Nations official." And it goes on.

That brings me to why I'm here today. You see, I'm an early childhood educator. I've always believed in the ideals and the humanitarianism of the Convention on the Rights of the Child even before it was in existence. I've always believed that all my representatives believe it as well. Do you? Do you believe, for instance, that every child has the right to a name, a right to a bed every night?

I'd like to refresh our memories and read from the convention, part 1, article 3, number 3, which has a pertinent meaning with some of what we're discussing here today.

It states:

"Parties shall ensure that the institutions, services and facilities responsible for the care or protection of children shall conform with the standards established by competent authorities, particularly in the areas of safety, health and the number and suitability of their staff, as well as competent supervision."

Let us remember that Canada is the envy of the world. We're not just playing a name game here when we say this. Many of you have travelled abroad and you know how Canadians are greeted with a smile and a handshake almost everywhere they go. Ontario is almost one third of Canada's population.

When you are considering these block payments to the municipalities, my recommendation is to add a rider statement regulating that a specific percentage go to directly operated child care programs and to the purchase of service programs—not vouchers and not a compromised program; in other words, an unregulated program.

"It has been proven that every tax dollar invested in regulated early childhood education programs for children saves taxpayers \$7 in long-term social costs, including health care, mental health care programs and social assistance." This is from Significant Benefits, a high school study through age 27. "It has further been proven that for every dollar a municipality spends on child care, \$9 is generated in the local community"—A Business Case for Child Care, Metro Toronto, 1995.

You know that child care services are discretionary. At this point you know that they will not be high on the municipality priority list. John Dawson, just minutes ago, named child care as the first thing that would be cut in this region. It was the first thing on the list. Do something about it. It's up to you. Do not legally compromise the care and education of young children.

I want to leave you with one thought. You have an opportunity to be a hero or to be a bully, and bullies end up not being very well liked, for one thing. So I say be a hero. Stand up and do something.

1550

**Ms Yorke:** Good afternoon. My name is Belinda Yorke. When I was diagnosed with multiple sclerosis five years ago, a brick wall was put up in front of my face. After one year of allowing that wall to stand and interrupt my life and my daughter's, I decided to knock it down and plow through the rubble and fight. With the assistance of many people around me, such as doctors, volunteers and friends, both working and collecting FBA, a system of hope and support has been established. Today I am a single mother of one who earns my FBA by volunteering my time, since I can't keep a regular job, which is not by choice but rather by an unforeseen ability to acquire a disease.

I have been a successful fund-raising coordinator for many events in Niagara to raise money for people like myself who have MS. I have also implemented a program of hope for people who have MS who are in hospital or chronic care facilities where children from kindergarten to grade 5 learn to voluntarily give of their time and heart to instill hope and strength in these people. Their message is, "Don't give up."

I believe very strongly that what your Bill 26 is going to do is to take away hope and build a new wall that in Germany was just knocked down. Already we are feeling some of the results of your so-called Common Sense Revolution. It's a revolution all right, but fails at common sense. Already the effects have been seen by city cuts that are a direct result of the cuts made by this government.

You claim to stand in glory that your commonsense agenda is working? All you have done is shifted the weight from your shoulders to the shoulders of every local and municipal level so that they can hear the problems of the people instead of you, the creators of the problems.

Our casino is the icing on the cake, but without a good cake there will be nothing to ice. You are creating a split society of those who have and those who have not, and it will result in the survival of the fittest. Life changes occurs due to chance and circumstance, not by government demand.



**Ms Fowler:** My name is Emilie Fowler. There's much I'd like to say about this bill but I'll stick to schedule J.

I recommend that the proxy method of achieving pay equity be maintained. This government has totally destroyed any hopes of wage justice for women, first by repealing the Employment Equity Act and now by proposing to remove the proxy method of determining pay equity, effectively leaving many women out in the cold. The free enterprise marketplace, ladies and gentlemen, is not a fair and equitable place or we would not be having this discussion today.

According to the International Labour Organization in a paper presented at the fourth United Nations world conference on women in Beijing, it will take another 475 years for parity to be achieved between men and women in top managerial and administrative positions. Recent media accounts indicate that women still earn only 66% to 72% of male earnings. Aboriginal women, members of racial minorities and women with disabilities are further disadvantaged, and yet this government seems hell-bent on making it even more difficult to earn a decent wage. Contrary to some popular opinions, women have never asked for preferential treatment. We simply asked to have the same opportunity to play on a level playing field, preferably in the same game. It's really difficult if you're playing football up at the top end and we're playing broomball down at the other end.

The legislation regarding pay equity under the previous government had many flaws, but at least they made an attempt to recognize systemic discrimination. This government, prior to the election in June, promised to proceed with the review of pay equity legislation to determine if it is effective, affordable and sustainable. There was no review as required by law.

These actions indicate your total lack of regard for women in the workplace, most especially those in lower-paid jobs. As you continue to wantonly destroy any small gains women have made, you will no doubt succeed with your old divide-and-conquer, patriarchal methods of achieving your goals, which seem to put large corporations first and people last.

The Premier is correct: We will not recognize Ontario in five years' time. The poor, the elderly, women and children will be shoved aside in your frantic rush to reduce the deficit. No one is denying the need for fiscal responsibility. Any woman who manages her own home knows about budgets. It's your tendency to take from the poor and give to the rich that is questionable. It is so much easier to look at spreadsheets filled with numbers than at the faces of people. It creates a certain distance, does it not? It's so much easier on a man's conscience if he does not see the woman on welfare, the hungry child, the battered woman or the bag lady huddled in a bus shelter.

**Ms Macfie:** My name is Carrie Macfie. I'm here today to speak on behalf of myself and my friend Julie, who couldn't be here today because she had to run from a job interview to a serious doctor's appointment for one of her children. Julie and I had a really tough time trying to figure out how to approach this presentation today. There was so much that offended us; where would we start? It's a huge bill, there was very little time to pre-

pare, and what difficulties we had in even getting a copy of the bill to look at. We eventually decided to pick a piece of the bill that we could easily see some implications for.

Before I get into that, I want to give you a little background information that might help out. Julie and I are both unemployed. I'm receiving UI benefits, but because my last job was a minimum wage job, the benefits are so low that I'm also being supplemented by welfare. Julie was cut off from mother's allowance due to changes in eligibility. We're both trained workers: I have a degree from McMaster University and Julie has received computer training over the last few years. We're certainly not here to whine or bitch about our situations. We're strong women; believe me, we prove that every day, in our daily lives. But we are most definitely at the end of our financial ropes. With a fixed income of \$1,000 a month for a family of three, my future is uncertain. Hell, next month holds the uncertainty of losing my home.

Enter Bill 26, and more uncertainty. For instance, municipalities are being given incredible powers to tax us in this bill. It seems like pretty gutless government to me: Cut funding to municipalities and then give them the power to do whatever they want to raise money. User fees imposed by cash-starved, power-hungry municipalities are going to put services out of my reach. User fees affect the poor unfairly and disproportionately.

Back to Julie and me specifically, and if your minds will allow, to a few thousand other women in Ontario. We enjoy taking our children to the library and using the library ourselves. I'm going to try to put this in a way that might help you understand. If we look at a \$7 user fee for a library membership, this represents approximately 21% of my income on any one day, while it represents only 3.6% of a person's daily income who earns \$70,000 a year. More importantly, perhaps—and these are terms I can easily understand—the \$7 isn't there for me. With an income of \$1,000 a month and expenditures of \$1,200 a month, there isn't \$7.

User fees won't stop there either. Where will they be used, and how much will user fees be? Beyond that, what will the other effects of Bill 26 be? This is too much uncertainty. This is not the kind of government we can afford.

This ominous omnibus bill needs to be broken down into sections that can be intelligently discussed. Conflicting stories and uncertainties need to be cleared up. These hearings need to be continued over a longer period of time. What could be served by a bill like this one except for a government agenda that does not consider the needs of the people of the province and which is a self-serving one?

**Ms Jones:** We have a short skit for you right now which we hope will contrast the plight of women from 200 years ago, which will show you that very little has changed.

"Can you spare a penny, sir?"

**Ms Fisher:** "Please help me. I can't feed my children."

**Ms Jones:** "Oh, where do I live? Oh, I have a spot tucked away from the wind. It's real cold, though, in the winter."



**Ms Fisher:** "The women's shelter has closed. I'm really afraid of my husband, but I may have to go back to him because my kids need a roof over their head."

**Ms Jones:** "I don't care what work I do, as long as I can afford gruel for the family, maybe a chicken for the holidays. Oh, the kids will really love that."

**Ms Fisher:** "Just a job, that's all I ask. The food bank can't give us enough food. If I keep them on the Tsubouchi diet, they'll get sick. What can I do?"

**Ms Jones:** "I really worry about my children playing in these cobbled streets while I'm out working. I'm so scared they'll join the street thieves, and then they'll end up in the orphanage."

1600

**Ms Fisher:** "How can I concentrate on my work? There's no more day care. I can't just leave them with anyone. I have no family to help out. They have become latchkey kids."

**Ms Jones:** "I really envy women of the future. Women will have good jobs. No one will go hungry any more. There will be good medical care for everyone. I'm leaving for Canada. Haven't you heard? I hear it's a land of opportunity and hope, a land envied by the world for its dreams."

**Ms Fisher:** "No work, people hungry; this government doesn't care. The founders of this land worked hard for this?"

"A vision was seen and accepted by all government parties. It was Campaign 2000, the House of Commons resolution of November 24, 1989. The Campaign 2000 declaration provides a vision of the commitment needed to eliminate child poverty. It challenges all political parties to declare their own commitment to one million poor children in Canada 'to achieve the goal of eliminating poverty among Canadian children by the year 2000.'"

**Ms Jones:** "When government loses all empathy towards the needy in society, we are no longer a country forging ahead, no longer a country to be proud of, but one that is regressing in care and concern, with a government to be truly ashamed of."

**The Chair:** You've got three minutes remaining in your presentation. You may wish to use that time or have a minute per caucus.

**Ms Macfie:** As government cutbacks are affecting everyone, we've put together a box of Tsubouchi's goodies to assist you in defraying the cost of expensive restaurant meals. We've also included some multivitamin tablets because if you live on this diet, you're going to need them.

**The Chair:** We will see to it that we—

**Ms Jones:** We haven't finished.

Bill 26, is this a joke?

Democracy gone up in smoke.

Give to the rich, take from the poor,

We're just not gonna take it any more.

Mr Tsubouchi, you look quite pale,

Is that tuna you've just thrown up in your pail?

Your can of tuna, is that true?

Well, if it's good for us, it's good enough for you.

Oh, Mr Mike, why the frown?

Did you really think we'd take this lying down?

Well, did he?

**Interjections:** No.

**Ms Jones:** What's that you say?

You're worried now,

Then please go home and throw in the towel, the towel,

Please go home and throw in the towel.

**The Chair:** Thank you, ladies, for coming forward today and making your presentation to the standing committee on general government.

## ONTARIO PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Chair:** May I please have representatives from the Welland Professional Fire Fighters Association come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if at the beginning of your presentation you'd introduce yourselves.

**Mr Peter Skowronek:** Thank you, Mr Chair. That's a pretty tough act to follow, but we'll do our best.

I'd like to introduce, on my right, the district vice-president of the Ontario Professional Fire Fighters Association and the past president of the Welland Professional Fire Fighters Association, Henry Labenski and, on my left, the president of the Ontario Professional Fire Fighters Association, Jim Lee. My name is Peter Skowronek. I'm a full-time firefighter in the city of Niagara Falls. I'm also the executive vice-president of the Ontario Professional Fire Fighters Association.

The OPFFA is comprised of 53 associations throughout Ontario, in the south as far as Windsor. In the east we have Ottawa and Cornwall, and to the north and west we have Thunder Bay and Kenora. We represent over 4,000 full-time professional firefighters from associations as small as three members, such as Gananoque, to a 650-member association, such as North York.

I realize all of you know how vast the scope of the omnibus bill is, and I won't put you through that again. But I would like to make some overall comments on Bill 26. The provincial government, in an attempt to deal with our present economic situation, is about to hand over unconstrained power to political representatives, the like of which has not been seen since the War Measures Act. You have to go back through many years of legislation to find such sweeping powers vested in municipalities to pass resolutions. This power applies despite any other legislation.

This Conservative government was about to push this bill through without any public hearings; no chance for any input from the opposition parties or the citizens who would be affected by the legislation. This is not the democratic way. If you read through the bill, you will find time and again the public are not given the opportunity for scrutiny and, in some cases, have lost their right to vote on specific issues.

Yes, the province of Ontario is in need of change, but at what cost? Do you trample on the rights of the citizens of Ontario all in the name of economic stability? Changes



to the level of fire protection, without any checks and balances, could cost people their lives. When the quality of fire service provided to the citizens of Ontario is determined unilaterally, without consultation, our only voice is at the polls come election time. It could be too late and the consequences could be irreparable.

Having said all of the above, I would like to move to schedule Q of Bill 26. The bill would require arbitrators to consider the five following criteria. I'm sure you people have heard them enough; I won't put you through them again. They're there for your perusal.

Any criterion whatsoever affects the impartiality of the arbitrator, because the imposition of criteria will always tip the scales of fairness one way or the other. That is why some arbitrators have stated that they will resign before they will arbitrate in the shadow of government interference.

The free collective bargaining process cannot operate if one party believes it will always do better at arbitration than negotiation. If you tamper with the sensitive balance that now exists in collective bargaining in the arbitration arena, the provincial government will be blamed, no matter what award results. If the award is too high, it's because of the criteria. If the services are cut and people die: "Don't blame us. Blame the Conservative government's criteria."

Statistics over the last 14 years show that over 85% of our association freely negotiated collective agreements. The Association of Municipalities of Ontario would have you believe it's the other 15% that is the problem. Out of 141 boards of arbitration in 14 years, how many times did the municipalities take the firefighters to arbitration? In my home association, the city of Niagara Falls applied for arbitration, even though both parties had a signed memorandum of settlement. But being an election year, the councillors preferred that the arbitrator award the increase so they could blame the arbitration process, even though their negotiators agreed with the settlement.

If you go back through the statistics, you will find many of the 141 boards of arbitration fall on election years. This is because councils are reluctant to agree to an increase, even if councillors believe the local firefighters deserve the same remuneration as other firefighters in municipalities of similar size and geographic location.

The purpose of the arbitration system is to replicate the free collective bargaining process. How can the arbitration board imitate a freely negotiated settlement if they are forced to deal with criteria put forth by the government? The need for criteria for arbitrators has been on the wish list of the association of municipalities for years. AMO's purpose for this request is to tip the scales in their favour. If the firefighters are holding their own in the collective bargaining arena, and also in arbitration, it is because of hard work and education.

**1610**

Before any preliminary submission containing our proposals is brought to the negotiating table, it must first pass a threefold test. It must be morally sound, it must be legally defensible and it must be reasonably practicable of attainment at this time. By applying this simple test to every proposal before it becomes a submission, we

separate the wheat from the chaff and it prepares us by starting negotiations on a strong foundation.

Secondly, if we fail to come an agreement at the bargaining table, we, the firefighters, present our own case at the arbitration hearing, because nobody knows a firefighter's job better than the firefighters themselves and why there is merit to what they are requesting.

Arbitration occurs when the parties fail to come to an agreement. In the long run, no one wins by going to arbitration, because no matter what the award, one party may feel it has fared better than the other, and that always has a negative effect on the next round of bargaining. Our association practises relationship bargaining because it works. It is based on the fact that we have much more in common than we have at variance.

The quality of the service that the firefighters provide is their number one concern. Firefighters have a record in Ontario, under the umbrella of the Fire Departments Act, unmatched by any other province or any other country that I'm aware of: over 50 years of uninterrupted protection for the citizens of the province, no work-to-rule, no strikes, no situations where they're using public lives as blackmail to solve labour disputes.

In the country of France right now the firefighters are on strike along with many of the other public workers. I wonder how secure the residents of France are knowing that there may be no firefighters to respond in an emergency situation. The citizens of Ontario can go to bed every night secure in the feeling that if they need firefighters, we will be there.

This excellent record is partially derived as a result of a fair arbitration system, where arbitrators hear all of the arguments put forward them and then weigh these facts before they make their decision, without government intervention or criteria. An independent arbitration system is paramount.

The second area of Bill 26 that impacts on public safety is schedule M. This schedule would amend the Municipal Act to provide municipalities or the Minister of Municipal Affairs with wide powers to restructure, amalgamate or regionalize existing municipalities and localities and, I'd like to highlight here, with no democratic consultative procedure. The citizens or the stakeholders of the affected municipalities would have no opportunity for public hearings or a vote in such a reorganization.

The provincial government has announced a cut in transfer payments to the municipalities. AMO, in turn, has provided the Premier with a shopping list of powers that would help them endure these provincial cuts. The powers found in schedule M are more sweeping than even AMO could have hoped for. These provisions, taken together, would appear to allow for a municipal poll tax, gas tax, a host of user fees and other charges for municipal services, and may even permit municipal charges based on income.

Under Bill 26 the council of the municipality would have the power to dissolve or make other changes to any local board, simply by passing a resolution. Again, this power applies despite any other legislation. The definition of a local board, according to the lawyers, is broad enough to encompass a fire department. This power would enable the municipality to privatize the fire service



with no democratic consultative process. If the fire service is privatized, who will be accountable for the actions of the private contractors' inability to provide adequate fire protection? Upper-tier government will be given the power to assume services provided by local municipalities, for example, firefighting services.

David Burnside, legal counsel for the Solicitor General, when questioned about upper-tier government assuming the function of fire protection, informed us that those employees affected would have no collective agreement or employment protection whatsoever. The employees' existing collective agreements, which took years to develop, would not be binding on a new employer. In fact, the present employees could be dismissed simply because they do not fit in the plans of the new employer.

In travelling throughout the province and having experience in dealing with many of the municipalities, if Bill 26 provides this unfettered authority, the municipalities will do their utmost to utilize their new powers to the extent of the law. I pray that the councillors throughout the province of Ontario have the divine wisdom to exercise these proposed powers in a fashion which will still provide the citizens of Ontario with the fire protection they have come to expect and deserve.

The problem with many of the restructuring, regionalizing or privatizing proposals is that no one is accountable when things go wrong. Bill 26 unleashes all these powers. What it has failed to do is provide any checks and balances.

The fire departments of Ontario, unlike most public services, have no standard for protection. A municipality that receives less money may have less fire services, to a point where this type of risk management will cost public and firefighter lives. It will be very difficult for the minister to scrutinize some 800 municipalities throughout Ontario exercising their new-found power. It was in the late 1800s that Sir J.E. Dalberg said, "Power tends to corrupt, and absolute power corrupts absolutely."

The firefighters are currently involved in a review of the fire service in the province of Ontario under the direction of the Solicitor General, the person appointed by the government to be responsible for the fire service in Ontario. We are dealing with the Fire Departments Act, a specific piece of legislation which has the potential to directly affect the level and delivery of fire service in Ontario.

Prior to the election of the Conservative government, firefighters solicited comments from potential candidates who were seeking election on what their position would be on proposed changes to the Fire Departments Act. We called it our grass-roots campaign. We received written responses from a great number of potential MPPs seeking election on behalf of the Conservative Party. In those written responses, we received letters from the now Premier of the province of Ontario, Mike Harris, the now Solicitor General, Bob Runciman, the now Minister of Labour, Elizabeth Witmer, and also the now Minister of Health, Jim Wilson, just to name a few, all stating the following:

"No changes will be made under a Harris government until such time as your members have been thoroughly consulted, and we will insist that all changes be fully

costed, both from the point of view of the workers as well as management."

Under Bill 26, the Fire Departments Act is about to be drastically altered with virtually no consultation or input by the Ontario Professional Fire Fighters Association. In a conversation on December 14, 1995, the Solicitor General, Mr Runciman, agreed with president Jim Lee that we had not been thoroughly consulted, as was promised by the Premier and other ministers of the current government.

Decisions in the fire service directly affect public safety. We are here today to ask the Conservative government to live up to their commitment to us before there are any changes to the Fire Departments Act. We are requesting the government to remove the fire service from the impact of Bill 26 and to continue discussions on the Fire Departments Act, as was promised by the Conservative government prior to their election.

Thank you on behalf of the Ontario Professional Fire Fighters. We appreciate the opportunity to speak.

**The Chair:** We have a little more than four minutes per caucus for questions. We'll start with the third party. 1620

**Mr Kormos:** You indicate in your brief in appendix 1 that questionnaires were sent out to a number of MPPs, and in appendix 1 you have some of the responses. Those questionnaires were sent out during the course of the election period?

**Mr Skowronek:** Yes.

**Mr Kormos:** And they were clearly a part of the election process, and it's not unusual for organizations to elicit positions by various candidates during the time of election?

**Mr Skowronek:** That's correct.

**Mr Kormos:** So there was no confusion, because these were sent "Dear Candidate," is that correct?

**Mr Skowronek:** I don't understand.

**Mr Kormos:** These were sent to a named person as a candidate?

**Mr Skowronek:** Yes. Many of us met with these candidates and went through a questionnaire.

**Mr Kormos:** Whether they were incumbents or not?

**Mr Skowronek:** That's correct. All three parties. Everybody running for office.

**Mr Kormos:** So it's clear that the people receiving this correspondence received them as candidates in the election?

**Mr Skowronek:** That's correct.

**Mr Kormos:** And that their response was a part of their campaign process?

**Mr Skowronek:** That's correct.

**Mr Kormos:** And there was nothing that you said or did that would indicate otherwise to them?

**Mr Skowronek:** That's right.

**Mr Kormos:** It's interesting that several of the responses that you've included in your appendix were responses done out of legislative offices or Queen's Park offices while they were candidates in election being solicited for responses during the course of election. As an aside, I trust, among other things, the commission on election expenses might be interested in that. Thank you very much for the material.



Now, Mr Labenski, you're the past president of the Welland Professional Fire Fighters Association. We've heard the submission on behalf of the trio. What's the experience in terms of being able to negotiate settlements, for instance, in the city of Welland?

**Mr Henry Labenski:** Well, in the city of Welland, we go in exactly like Peter Skowronek said. We prepare ourselves, we go in and we have the threefold test to make sure they are proper before the board. We have a problem with the city of Welland where they, many times in the course of negotiations, do not want per se, say, to give us the money because they don't want to feel they are giving it to us. They always want somebody else to be the master, I guess, or somebody else is going to be the one that's doing it. So we have gone to a few boards of arbitration, for that reason and that reason alone.

**Mr Kormos:** You've been a firefighter for how long?

**Mr Labenski:** Close to 20 years.

**Mr Kormos:** And over the course of that time has there been a change, in your view, in the type of role that firefighters play in the community?

**Mr Labenski:** The firefighters in the community of Welland right now are involved in everything from body pickup, VSA calls to water rescues to ambulance assistance to car accidents. It's really funny that you mention it, because just the other day at work one of the firefighters mentioned that I guess we're called the bag people of Welland too, because whatever has to be done, they call the firefighters first. We had a few VSA calls going out just the last night I worked, and naturally we did respond and did what we had to do.

**The Chair:** Thank you, Mr Kormos. I'm sorry I interrupted; it's a little more than four minutes.

**Mr Kormos:** Are you sure?

**The Chair:** Yes, sir. From the government side, Mr Hudak and Mr Hardeman.

**Mr Hudak:** Thank you, gentlemen, for your presentation. It's good to see a few of you again. I've met you before. I understand your arguments, especially with respect to the arbitrator and taking the ability to pay into account. Is it my understanding that you would like to see an amendment that will take the firefighters out of consideration, take that part of the bill out with respect to firefighters?

**Mr Skowronek:** Yes, and let us complete the consultative process we've already begun with the Solicitor General.

**Mr Jim Lee:** I'd like to make a comment about that. I think what we're asking for, and I think it's very clear in the letters we received from the Premier and the Solicitor General and the Minister of Health and the Minister of Labour, is that they made a commitment to us prior to the election that we would be thoroughly consulted prior to any changes to the Fire Departments Act. They've unilaterally changed the Fire Departments Act. The Solicitor General agreed with us that we were not consulted. All we're asking at these hearings is that you people, as the current government, live up to your commitment.

We had a question put to us at one of these hearings, do you think you were lied to by the Conservative government? Well, I would like to know what we were

told by the government if it wasn't a lie. We haven't been consulted. They've changed the act, but we have these letters stating that we would be consulted. If they haven't lied to us, what have they done to us?

**Mr Kormos:** Prevaricated.

**Mr Hudak:** If I may follow up on my question as well, you gentlemen are aware of the spending crisis in this province. We're having \$9 billion in interest payments. That means \$9 billion go to our debtors before they go to pay for firefighters, highways, transportation and such. Do you think the ability of a locality to pay for an arbitrator's decision should be taken into account for other services aside from firefighters? Should be firefighters be the only exemption?

**Mr Skowronek:** No. What we believe is an arbitrator must be independent. You've got to let him make the decisions by the facts put before him, like I stated in my brief. The mayor of Niagara Falls made it very clear to you that in Niagara Falls the arbitrator did take in ability to pay. They do do that.

I ask you: It's very explicit in the Fire Departments Act. It says that the parties get to pick who the arbitrator is. Why would you ever pick anybody who wasn't going to give you that argument? And how easy an argument it is to make for you people right now, when you've just cut the city of Niagara Falls' payments by \$700,000. It's pretty tough to make an ability-to-pay argument when you start chopping away at these people. They've got that argument, and there isn't an arbitrator who doesn't do that.

Following that, if you couldn't pick the arbitrator you wanted, the next step in the Fire Departments Act is very explicit again: It would be appointed by the minister. Why would the minister appoint someone who wouldn't look at ability to pay already? He'd done that in his history somewhere, made an award where he ignored the ability-to-pay argument.

I'm saying to you people, that's just not done. They do not ignore the fact they don't look at ability to pay. That's an argument that comes in everywhere. How strongly that argument is made follows upon the people who are representing them at that arbitration.

**The Chair:** Sorry, Mr Hardeman. That's the time for the government side's questioning. We must move to the members of the opposition.

**Mr Bradley:** My first question is one to which I believe I know the answer but I just want everyone to know the answer. In the private sector, the ultimate sanction that the employee has to apply, if that employee wishes to use it, is for the most part the right to strike, the right to withdraw services. You do not have the right to withdraw your services under legislation in Ontario. Is that correct?

**Mr Skowronek:** Well, Mr Bradley, that particular thing has come up a lot lately, and nowhere is it written that we do not have the right to strike. We have voluntarily given up our right to strike, because, like I said, that's one of the premises we use for negotiations and we believe in the quality of service. So we voluntarily gave up that right, at the same time knowing that we were dealing with a fair and equitable arbitration system.



**Mr Bradley:** So your objection is that having given up the ultimate weapon that an employee has, you are now being asked to give up unfettered arbitration.

**Mr Skowronek:** Correct.

**Mr Bradley:** That would be your position.

My second question is this: In regard to fees being charged, potential fees being charged for various services, and they always use examples of so-called frivolous services, do you have a fear that if there are fees imposed, there are going to be individuals who are not going to call upon your service if indeed there are fees and that therefore life and property could be placed in jeopardy?

**Mr Skowronek:** Absolutely. There is one mayor who's thinking of putting a \$300 fee for a car fire. Our fear is there that these people will be trying to put out their own car fires, and it's a very dangerous job, or trying to drive their car to the border, just so they don't have to pay the \$300.

A bigger fear is with a charge for false alarms. These people, if they're charged enough times for false alarms—many of them aren't the owners, they're concerned about the repercussions they'll get from their boss—will shut these alarms off and leave hundreds and hundreds of people unprotected.

I'd just like to touch on that a little bit. And that only has to happen once. There's a case in North York right now, from 2 Forest Laneway, where six people died in a high-rise. What's outstanding from that case—and the inquest is complete—is that there's a \$64-million lawsuit.

What you tamper with over here on this hand, you've got to remember the scales tip on the other hand. So when they start to play with user fees or whatever, someone is ultimately responsible, and it gets back to the accountability that I was saying in the brief.

**Mr Bradley:** You had anticipated my next question, I believe, which was that you anticipate that there will be more legal challenges as a result. So I'll go to a different question, which is the cost of insurance premiums. If indeed services are reduced as a result of an arbitrator declaring that there is simply not enough money for a service to be provided, or, because of provincial cutbacks, municipalities make a choice not to service an area or not to provide the same degree of service they provided before, can we anticipate that there will be an increase in insurance premiums?

**Mr Skowronek:** Absolutely. The minute that the fire losses go up—these people have to make money. Eventually they'll raise the rates, and quickly raise the rates when they see there's an added risk, before they get caught up not being able to pay the money they owe. You can be assured of that.

**The Vice-Chair:** Thank you very much for your presentation. We're out of time right now.

1630

#### NIAGARA-ON-THE-LAKE CONSERVANCY SOCIETY

**The Vice-Chair:** Our next group is the Niagara-on-the-Lake Conservancy Society. Thank you very much for joining us this afternoon. Can you please identify yourselves for the record.

**Ms Laura Dodson:** My name's Laura Dodson and I'm the president of the Niagara-on-the-Lake Conservancy Society. With me is Gracia Janes, the vice-president of the society. She also wears other hats.

**Ms Gracia Janes:** Yes, I'm with the Preservation of Agricultural Lands Society. I'm also with the Niagara SARC Network and we have been rejected with the great unwashed majority of two thirds in speaking to you today. But I feel, having heard the presentations, that our concerns were very well expressed by the Project Share group, by Mr Dawson, by Mr Krasowski, by the Women Against Bill 26, and by the labour council.

You have a copy of our brief and any questions you might have, I'd be pleased to dialogue with you further another time.

**Ms Dodson:** Thank you, Gracia. I am speaking on behalf of the Niagara-on-the-Lake Conservancy Society.

**Mr Sampson:** You indicated we had a copy of your brief. I don't have a copy.

*Interjections.*

**Ms Dodson:** I've brought four other copies I will leave with you. Because we didn't get an opportunity to speak as the SARC Network, it's a separate brief that was handed out to you in the morning by your clerk. This is a different brief. This is the Niagara-on-the-Lake Conservancy, and we don't have copies, apparently.

**Mr Phillips:** I might add it frightened me when I saw the name. I thought it was the committee for the Savings and Restructuring Act. I thought that was what SARC meant, and I thought, my God, I hope there aren't community groups supporting this thing.

**The Vice-Chair:** Mr Phillips. Sorry about the interruption; perhaps we can just continue.

**Ms Dodson:** I'll start again. I'm speaking on behalf of the Niagara-on-the-Lake Conservancy Society, a citizens' organization with approximately 550 members, most of whom reside in Niagara-on-the-Lake. Our mandate is to ensure the preservation and conservation of our town's unique heritage of buildings, open spaces, street-scapes, micro-climate etc, and to protect our town's future by ensuring that development is appropriate and in accord with the town's official plan and zoning bylaws. Thank you for this opportunity of addressing you regarding our concerns about the sections of Bill 26 whose impact on our heritage could threaten or destroy that very heritage.

Please may I too at the outset express our deep concern—and when I say “our” I means our society's—about the inability of this committee to hear the briefs of all groups and people who wish to speak to you in the government's haste to have the bill implemented. As members of a democratic society we're also very concerned about the number and magnitude of changes the bill encompasses, and about the lack of time and opportunity for full response and debate on this bill in our Legislature.

We also apologize for misunderstanding or for incomplete research, because the bill has been in our hands for less than a week and we do not have all the documents necessary for full study. It also needs a lawyer to decipher the bill in places.



We live in and are deeply concerned about our historic community of Niagara-on-the-Lake, first capital of Upper Canada, site of the first Canadian Parliament meeting, site of the beginning of the Law Society of Upper Canada, among other historical events.

We're concerned about the blank-cheque approach to restructuring municipal government proposed for the Minister of Municipal Affairs as outlined on page 134 of Bill 26, and a municipality's power to restructure itself, all without any public involvement in the process.

The slight exception is that the public would be allowed to see the minister's order to allow the restructuring, an order which has been published in the Ontario Gazette—we must put that on our regular reading list—and which has been filed with the town clerk. We're not told how the non-readers of the Gazette will know when or where to look for the order. Presumably that fact is not important.

As well, no legislative change need take place when a municipality is restructured, which could also mean dissolved, according to the bill. Hence, no debate could take place in our Legislature should the minister decide to dissolve all or part of our historic town. The fact that my provincial government, in what I have always regarded as the most democratic country in the world, would propose such a process without full and continuous involvement of the taxpayers whose communities are being restructured in any of the proposed ways is utterly appalling and totally unacceptable.

One of our society's constant struggles is to be listened to by our municipal council when it comes to decisions that threaten our heritage. We have never been faced with the prospect of having our town dissolved by another level of government, however. This bill is being thrust upon us with far too much haste to allow for sound or even carefully thought-out government policies. Good government at all levels requires allowing the time necessary to ensure that legislation is the best it can be.

Some serious problems arise in understanding words or in defining important concepts. Page 133 of the bill, 25.1(c), refers to "municipal representation systems." Who or what in the world are these? They're given blank-cheque power again without public input. These bodies seem to us faceless entities. How can people deal with systems? It sounds more like a body in a non-democratic society.

The preservation of heritage is low on the list of priorities, perhaps understandably in times of crises, and our provincial government has categorized this as a time of great crisis. The fact that our town could lose its historic identity and could do so without the taxpayers' right to participate in the process or appeal the decision to the Ontario Municipal Board is staggering. We wish, nay demand, to be permitted to be full participants in all stages of any initiative, ministerial or municipal, to restructure our community. Neither did we elect our municipal council to agree to such a mandate as that of restructuring.

On page 135 we read of criteria that will be provided on this whole matter. Surely the government knows what these are before they suggest the radical restructuring possibilities. There isn't even one example given. And the

section that follows, subclauses 25.2(9)(c)(i), (ii) and (iii), is not understandable at all to us.

We all benefit from our heritage in tangible and intangible ways. Thousands of volunteers work to protect and conserve it, but public money is also needed. We can see one possibility under this bill to pay for the upkeep of our heritage. Our town, if it is not dissolved or otherwise altered to its historic detriment, could make Highway 55 one of the new toll roads mentioned in the bill. But we would insist on toll booths rather than electronic devices for collecting the tolls because they would provide employment. We could also ask each visitor to pay a user fee of, say, \$10. Thus we would be sure that people who might otherwise have been able to enjoy our lovely town will not be able to do so.

Another threat to our heritage posed by the bill and by the cutbacks to our municipality is the prospect of uncontrolled development. We've already heard one of our aldermen say, "Because we have less money coming from the provincial government, we'll have to develop, develop, develop." Development is fine if it is appropriate and in accordance with official plans and zoning bylaws, but not if it's just for the fact that it's supposed to make up shortfalls from provincial governments. And the Golden report, as you well know, indicates that development does not produce revenue of that kind.

#### 1640

Another chilling part of the act, section 43, allows conservation authorities to sell off some of their lands without the minister's permission, if that authority has not been given grants by the minister. The implication is our heritage of open space could be lost—the open space of our heritage could be lost to developers, to be given to developers. Since most conservation areas, at least those that I know of, are suitable for the most prestigious development, how much would such land sell for? Can money make up for heritage that's forever lost?

In our town, we are discussing the ward system right now. We are at an OMB hearing. We were there yesterday and the day before. Thank you for the OMB. We are discussing this because many people in our town feel the need for a very close consultation with members of their governing body. We want to be able to, many of us, elect people in our ward to whom we can speak, who will hear us, listen to us. This bill is the antithesis of direct responsibility and direct contact with people who are responsible for our future and our political future. We're very, very concerned about that in this bill.

We ask our provincial government, therefore, to: (1) amend each act on the bill separately in the manner that is normally prescribed for doing so; (2) delay the approval or implementation, whatever it is, of this bill to allow that to take place, that each act be amended; (3) if the above fails, first of all, then allow enough time for the opposition in the Legislature to study the bill and consider all the implications of it and allow time for full debate in the House, also allow for full public participation by all who wish to present their views publicly; (4) provide for full public participation in all stages of any restructuring of any community; (5) allow appeals to the OMB of any decision by a municipality which is deemed not frivolous, that is, an appeal of a decision to restruc-



ture; (6) ensure the protection of our heritage in any restructuring; and lastly, do not permit or allow or encourage the sale of conservation authority lands. Respectfully submitted.

**The Vice-Chair:** Thank you very much for your presentation. Any further comments? At this time each party has an opportunity to discuss your presentation with you. We have roughly about six minutes for each party and we'll start off with the government party.

**Mr Hardeman:** Thank you very much for the presentation. First of all, dealing with the restructuring of communities, you are aware in the act that it does exempt or it excludes the restructuring process in the M schedule, it exempts the regions from that section. So in the Niagara region, it could not—

**Ms Dodson:** It cannot take place.

**Mr Hardeman:** It would not follow that same procedure.

**Ms Dodson:** I see.

**Mr Hardeman:** But I just want to go back to where in fact it did happen in the Niagara region some number of years ago, before it became the region. It was done under the present process. In fact, it was done by a government of somewhat the same stripe as the present government, but it was done by coming in and telling the community that change should take place and implementing it through legislation.

**Ms Dodson:** That was when the township and the—

**Mr Hardeman:** That was when it became the region of Niagara.

**Ms Dodson:** Oh, the region. Okay.

**Mr Hardeman:** Do you not see a need for that to be changed, that we do have more local input and local requests, that the municipalities want the change as opposed to Queen's Park wanting the change?

**Ms Dodson:** I would think only after much public consultation as to whether councils wanted it, because I think the involvement of the public is of prime importance. We didn't elect aldermen to make enormous decisions without any public input. I think that's a very important point. Do I understand you correctly?

**Mr Hardeman:** Yes. The act actually, as it's written now, will require a request from the local constituents before the minister would appoint a commission. If there was no one in the region today who wanted restructuring in government, the minister would not appoint the commission.

**Ms Dodson:** He would not.

**Mr Hardeman:** It has to be at a local request. Would it solve some of your concerns if it was included that the commission must hold a mandated number of meetings to have the public participate in the process?

**Ms Dodson:** Oh, very definitely. This has to be fully aired and so on. In some communities, it might not be a problem; in other communities, it could be and it could require a great deal of public—

**Mr Hardeman:** Your position is, then, that restructuring should take place to the local wishes, not to Queen's Park.

**Ms Dodson:** Oh, yes, definitely.

**Ms Janes:** I think there could be a problem in terms of the simple majority. I look at things like dumps and

the problems they've had, where a few municipalities say, "No, no," and in the case of the region if a simple majority decided they wanted to do something, when it applies to restructuring, that simple majority could win the day. It seems to me that maybe you need a bigger majority or a consensus, as Mr Dawson was talking about, or Ms Hughes, getting to the point where all your municipalities actually wish to do that.

**Mr Hardeman:** I would agree with you, but recognizing that unanimity in any project is very difficult to achieve. I'll turn the rest over to Mr Froese.

**Mr Froese:** First of all, welcome here. I'd like to welcome my neighbour, Laura Dodson, here to the committee, and your presentation. I first want to commend your group on the many years of ensuring the preservation of both the historical value of the town and other things within that realm, the preservation of the way Niagara-on-the-Lake is. Certainly, I don't think Niagara-on-the-Lake would be the way it is today if it wasn't for your group ensuring that the balance is there between development and the historical aspects.

Like any other community, there is always that struggle between what needs to be developed and what needs to be preserved. As probably everybody in this room knows, in Niagara-on-the-Lake it's always a contentious item as to what gets developed, what is preserved. That pressure is certainly always there.

You already stated earlier that you believe the decisions should be made at the local level wherever they can be. We talk about the ward system and what's happening there. Before the election, it was an issue. Some say in town that the voters had made a decision. The ward system has come up again after the council had dealt with it before the election and after the election. In your opinion about the elected representatives making the decisions—I just use the ward system as an example—if we truly believe that the decisions should be made at the local level, do you have the confidence in the local politicians to make decisions for the town of Niagara-on-the-Lake in particular?

**Ms Dodson:** Not the existing council completely, no; I would say, with a lot of local participation, yes. The ward system business, if I can quickly reply to that, was not a major issue in the election. The mayor would have liked to have thought so. I don't think most people were even aware that it was on the table. The people who wanted the ward system got a petition, approached the town council, asked them to put it on the ballot. Town council refused. The same six of the eight people have refused, again have voted against it; I think seven of the eight.

**The Vice-Chair:** I have to stop you. We're into the opposition's time.

1650

**Mr Bradley:** Thank you very much for the presentation, first of all, extremely thoughtful. If you think Bill 26 is interesting, wait till you see Bill 20.

**Ms Dodson:** I can't wait. What is that one, the planning?

**Mr Bradley:** That's the amendment to the Planning Act, which will undo what has been done over the years.

**Ms Dodson:** Oh.



**Mr Bradley:** Anyway, I won't deal with that because it would be out of order to deal with that. I'll deal with this particular bill.

Are you familiar with the Westminster township issue where the city of London annexed Westminster township and all of the prime farm land that existed around London, and did so with opposition from the Conservative Party and the Liberal Party to that particular process? That process allowed for significant hearings. It took a bill of the Ontario Legislature, where there was full debate in the Ontario Legislature before that legislation passed. Do you fear that you could see that, if not in Niagara, because it's a regional government, in other parts of the province where one municipality would simply annex another municipality without the consent of the Ontario Legislature?

**Ms Dodson:** I can't believe it. I really can't. I find this staggering in its possibilities. I truly do.

**Mr Bradley:** I can tell you that under this legislation that's exactly what can happen. There can be annexations take place in places other than regional governments and without the consent of the Legislative Assembly—your elected members of the Legislative Assembly.

**Ms Dodson:** With no public input?

**Mr Bradley:** It would simply require the nod and the wink of the Premier's advisers, who make the decisions, and some senior civil servants for that to happen. Your members of the Legislature who sit here today, duly elected, would not deal with legislation governing that annexation, and that is a fact.

The next question is, do you have a concern—I thought I heard this somewhere along the line—that municipalities desperate for funds of some kind, desperate for assessment, will allow unwise, unfettered and uncontrolled development to take place to try to fill in the money that was lost by the province cutting back?

**Ms Dodson:** No question. Developers are always knocking on the door, of course, in our community, and we have been told by one of our alderman several times that because of the cuts we must promote development, that that's got to be our sort of watchword now. We believe in development that is appropriate to the neighbourhood, that's in accordance with the official plan, the zoning bylaws, but not uncontrolled development, because first of all it would destroy neighbourhoods if it were inappropriate and all the rest of it, and it would not bring in the necessary funds. It could end up costing us money for extra infrastructure and so on and services.

**Mr Bradley:** Again you would be aware from the legislation of the possibility of conservation authorities losing a lot of their funding.

**Ms Dodson:** Yes.

**Mr Bradley:** Do you think it's a possibility that conservation authorities, again desperate for funding, will sell off prime environmental land for the purposes of development in order that they may continue at least some of their efforts to protect the environment? Is this a possibility?

**Ms Dodson:** I'm sure they wouldn't want to because all the people I know in the conservation authority are very concerned about their mandate and what they look after. It would be heart-breaking for them, I'm sure.

Some could feel forced to do that and I can't imagine a more backward step for our future generations than to lose those wonderful areas that anybody can enjoy, whether they can pay user fees or not; let's not get into that.

**Mr Bradley:** The Niagara Peninsula Conservation Authority, and I would say the Niagara Parks Commission, both established by the previous Conservative government, have served the Niagara region extremely well—

**Ms Dodson:** They have.

**Mr Bradley:** —and have protected much of the environmentally sensitive land. We see a contrast, for instance, between Niagara Falls, Canada, and Niagara Falls, United States, partially because of the efforts of the Niagara Parks Commission and the Niagara Peninsula Conservation Authority.

**Ms Dodson:** Yes.

**Mr Bradley:** Do you have a fear that again, with the diminishing of funding and the desperation for cash, we won't see that kind of environmental protection which has distinguished us from the American experience over the years?

**Ms Dodson:** That would be a great fear because those are wonderful groups, and I would certainly fear that. The Niagara Escarpment Commission is another fear I have, too, along the line, but that's another—

**The Vice-Chair:** At this time we move on to the NDP.

**Mr Kormos:** Thank you, Ms Dodson. Quite frankly, you've brought an interesting and new perspective on the impact of Bill 26 as it applies to, I might call it, especially sensitive communities, unique communities, like Niagara-on-the-Lake.

**Ms Dodson:** Or Queenston.

**Mr Kormos:** Not alone in the province, so by no means a singular example. It's interesting. Have you sought an audience with the Minister of Citizenship, Culture and Recreation, Ms Mushinski, so that she could advocate on your behalf with the Premier's office and with the backbenchers to plead the special circumstances of unique communities like Niagara-on-the-Lake?

**Ms Dodson:** We shall do so.

**Mr Kormos:** The problem is that I understand that Ms Mushinski has not met, in the course of some seven months, with hardly a single constituent. She hasn't met with Peter Herndorf from TVO. Remarkable that in seven months she wouldn't meet with the president of TVO. She certainly didn't meet with Karen Kain—

**Ms Dodson:** Oh, dear. Yes, that's right.

**Mr Kormos:** —perhaps out of fear of being beaten by a ballet slipper; the security problems, you understand. She hasn't met with members of the artistic community, with members of the performing community. I raise these, you see, because Niagara-on-the-Lake is a historical community.

**Ms Dodson:** Arts.

**Mr Kormos:** It's also a very integral part of the economy of Niagara and Ontario, not just the economy dollar-and-cent-wise; the economy because of the presence of the arts there, and in particular the Shaw theatre, a world-renowned theatre.



Do you know whether or not Ms Mushinski has visited the community in the course of the last seven or eight months?

**Mr Froese:** Yes, she has.

**Ms Dodson:** Has she? Oh, well, has she been to the theatre? Well, no, I didn't know that.

**Mr Kormos:** I'm surprised that she wouldn't have contacted or had her staff arrange or Mr Froese arrange for a day of meetings with local leaders like yourself who are concerned about the future of the town. So there was no contact with you?

**Ms Dodson:** No, but that's a super idea. Mr Froese will arrange it, we're sure. He's our neighbour. He's my neighbour.

*Interjections.*

**Ms Dodson:** I'm sure he will. I really mean that.

**Mr Kormos:** Now that the casino's coming to Niagara, we could perhaps make a bet on that.

**Ms Dodson:** He will. He's writing it down and he will, I'm sure.

**Mr Kormos:** Can he equally assure you that Ms Mushinski will effectively advocate for the interests of Niagara-on-the-Lake and it will be culturally and historically distinct?

**Ms Dodson:** We'll introduce her to Marguerita Howe, Order of Canada. Marguerita can get anybody to do anything. We'll try.

**Mr Kormos:** But that car and driver is awfully persuasive. If she won't meet with Karen Kain, by God, one questions exactly how much advocacy there's going to be for culture in this province. That's something that's equally fearful. The future of Niagara-on-the-Lake as an important cultural community is, in my view, very much at risk because of this government's abandonment of the cultural and artistic community, its abandonment of the film industry, its abandonment of the arts. It really is sad and shameful.

**Ms Janes:** Could I respond again? I think all of this points to the short-term-pain approach, and I was hoping Mr Froese would ask that financial question about the debt and such. You say short-term pain for long-term gain. I look at it as short-term pain for long-term pain: long-term social pain, long-term environmental pain that involves the heritage, involves farm land, involves all those things that we value in Niagara-on-the-Lake and elsewhere in Ontario.

**Mr Kormos:** Never get them back.

**Ms Janes:** We are not going to get them back; that's right. It's going to cost a fortune. Conservation authorities selling off their lands is a horrible thought, and the fact that this government also turned down a marvellous proposal that would have gone further than the Niagara Parks Commission, further than the conservation authorities, that would have involved trusts and easements and the saving of our tender-fruit lands in perpetuity, a wonderful concept. It costs money, yes, and I think you're going to have to spend some money; I'm sure you're going to have to spend some money in the next few years. But the cuts—

**Mr Bradley:** They're going to have to spend for the tax cuts.

**Ms Janes:** Well, yes, we have those tax cuts, but really, those cuts to the well-off or the somewhat well-off are just going to be used up with user fees and other costs, and then my children and my grandchildren are going to have to face the cost of the loss of the environment, the loss of the heritage, the loss of these things. The heritage is very important because it's part of our economy in Niagara. It's part of it, the tourism, the heritage, the farm lands. It all is jobs and money, and if you start turning that so that it's going the other way, it's going to be hard to get it back, and I really think you should think very carefully about that.

**The Vice-Chair:** That's all the time we have. Thanks very much for your presentation.

1700

## PENS

**The Vice-Chair:** Our next group is PENS, with Steve Balz, the co-chair.

**The Chair:** Thanks, Mr Tascona, for filling in for me.

Welcome to the standing committee on general government. You have half an hour to make your presentation. You may wish to leave some time at the end for questions from the three caucuses. Please introduce yourself for the benefit of Hansard and committee members.

**Mr Steve Balz:** My name is Steve Balz. I am co-chair of PENS. I'd like to begin by thanking the committee for the opportunity to speak and make this submission to you.

I'll start with a little of what PENS is about. We're a volunteer community group based in St Catharines, Ontario. We work to facilitate and enhance communications between the citizens of St Catharines and local government. Attached is a copy of our mission statement and objectives.

Over the past five years we've provided information and assistance to individuals and other groups regarding procedures of municipal governments, as well as making suggestions to improve the accessibility of municipal governments and their boards and commissions to the public. We have been fortunate to have members of municipal and regional councils attend our meetings and work with us on a regular basis.

Underlying our efforts is the belief that government works best when public input is both encouraged and considered. It is with this belief in mind that we wish to bring the following concerns to the attention of the committee.

Our concerns regard changes to the Municipal Act regarding restructuring of services and user fees, as well as changes to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act.

Regarding municipal restructuring and user fees, Bill 26 proposes to grant powers to a commission set up by the Minister of Municipal Affairs to restructure municipalities. Restructuring includes annexing part of a municipality to another, amalgamating municipalities, separating or joining a municipality to a county, and dissolving all or part of a municipality.



The concern with this section of Bill 26 regards the lack of provision for public input either through public hearings or meetings, or appeal. It is assumed that restructuring would take place in an effort to improve the efficiency of service delivery; however, input from those ratepayers who would be most affected and who pay the bulk of the cost of these services in question is essential. There may be good arguments against restructuring if it entails major changes in the way in which services are delivered or if it means giving up control over the delivery of these services. Public input and involvement leads to better decision-making.

Similarly, Bill 26 makes provisions for the transfer of powers or provision of services from lower- to upper-tier municipalities, as well as from upper- to lower-tier municipalities. This transfer could take place only under certain conditions, including the consent of the majority of local municipalities forming the upper-tier municipality, and then only if the local municipalities represent a majority of electors in the upper-tier municipality.

Again there is no mandatory provision for public input through public meetings or hearings and no opportunity for appeal. Furthermore, the formula regarding the consent of lower-tier municipalities permits a situation in which any one lower-tier municipality may lose certain powers or have powers thrust upon it by action of other lower-tier municipalities within the same region or county regardless of the wishes of the electors of the lower-tier municipality or their elected representatives.

For example, in Niagara we're currently facing a situation where we must find new locations for landfill sites in the near future. The regional municipality of Niagara could decide to locate a landfill site within a municipality under its jurisdiction despite the objections of the lower-tier municipality. Combined with the lack of provision for public input, there's a potential for misuse of this authority.

Finally, Bill 26 appears to grant sweeping powers to levy user fees for municipal services. These services potentially include police and firefighting. One consequence of charging user fees for such emergency services is that individuals may hesitate to call police or firefighters in an ambiguous situation. By the time it is evident that the situation constitutes an emergency, it may have escalated considerably.

The proposed changes do not make clear who would be charged user fees for emergency services. If a person calls the police because he or she witnesses an assault on a third party, who pays the fees? What if it was a false alarm? Creating ambiguity regarding emergency services invites disaster. Emergency services are an important and highly valued aspect of a structured society. It is important that such services be provided in as uniform a manner as possible across the province for the sake of safety.

Moving on to our concerns regarding access to information under the freedom of information act, currently the legislation is based on the premise that every person has the right of access to a record or part of a record in the custody or control of an institution, with certain reasonable exceptions and conditions. The changes to the act under Bill 26 appear to continue that assumption while limiting the opportunity for certain abuses of the legislation.

Under the existing legislation, a person making a request can receive the information at no cost provided the time involved in locating the information does not exceed two hours. It is likely that the vast majority of requests fall into this category and are quickly dealt with by the institution having control of the information. However, there are examples of individuals making repeated requests for the same information or otherwise abusing the legislation, and we assume that the changes are designed to eliminate this abuse.

Under Bill 26, institutions would be required to charge an application fee for access to records. The amount of the fee is not specified. If the amount were excessive, the application fee may discourage persons from requesting information to which they are entitled. The application fee might also be expected to encourage institutions which had previously routinely disclosed information without a formal request under the act to now require formal application, thus creating a climate in which information is strictly controlled as a commodity rather than given as a right.

A nominal application fee of \$5 should serve to discourage abuses without discouraging those individuals who have a genuine interest in accessing the information.

A second fee may be charged for every hour of manual search required to locate a record. Persons requesting information which might otherwise be routinely provided are forced to pay a second fee, and the majority of rather routine requests become unduly onerous procedures. PENS is familiar with examples in which exorbitant search fees have been charged for providing information that ought to be readily available to the staff of the institution. Again, information which ought to be readily accessible has become a commodity rather than a right.

Further, a fee may be charged for any other costs incurred in responding to a request for access to a record; the sections of the bill are listed in the brief. This provision is vague and may be misused by an institution seeking to discourage a request. For example, the institution may charge a fee to cover the cost of seeking legal counsel for the purpose of interpreting the act under which the request is being made. The current legislation already has provisions for recovering all reasonable costs incurred in responding to a request, provisions for photocopying costs, computer search costs and so on.

A third fee is charged for appealing a decision regarding a request under the act. As with the application fee, the fee to appeal a decision would have to be nominal in order to have the desired effect of discouraging large-scale abuses of the system without discouraging the earnest citizen making a request in good faith.

It should be noted that Bill 26 creates a situation in which a person may be charged three separate fees for information which is or should be routinely provided. Such a situation could occur if a request is made but the person making the request disputes the fees charged by the institution for locating and providing that information and is required to make an appeal.

PENS is familiar with a number of instances in which a very conservative interpretation regarding the release of information by an institution has resulted in a refusal to release information. Upon appeal, it was determined that



the information should be accessible and the information was subsequently released. In some instances, there appears to be genuine confusion regarding what should be released, and in other cases the institution appears to have had an interest in denying public access to the information. In either case, the person requesting the information was entitled to the information and should not be held responsible for the actions of the institution, as would be the case if a fee for an appeal was charged.

1710

As one specific example, I made a formal request to the city of St Catharines under the acts for access to a specific document, a piece of correspondence from the St Catharines Transit Commission to the city of St Catharines referring to a proposed zoning bylaw. The response to my request indicated that the document did not exist. In subsequent telephone communications with municipal staff, staff were informed that the document had been discussed in open council only days before the request was made. Information was provided in the request as to the date of the correspondence and to whom it was addressed. The information was still not forthcoming. An appeal to the commissioner and subsequent inquiry by the commissioner's staff resulted in an admission by the city that the city did indeed have the document, and the information was then provided. However, in the interim, the date for appeal of the zoning bylaw had passed. A suspicious person might suspect that the delay created by the refusal was a deliberate attempt to delay the release of the document.

Unfortunately, institutions are also capable of abuse of process, and the creation of an appeal fee seems biased in favour of the institutions which control the information and against those making a request for access.

There is also a concern regarding access to personal information. All three fees discussed above apply to requests made by an individual for access to his or her personal information. Under the current legislation, no fee is to be charged for access to personal information. It would seem that information of this nature ought to be fairly easy to locate and provide to the person making the request, and that no charge should be made for such a service. Access to information is a vital part of a free society and serves as a check on publicly funded institutions, ensuring that they treat individuals in a manner consistent with the standards expected by the public.

Furthermore, it is a generally accepted principle that individuals have a right to privacy. That right includes having control over the information they provide and the uses to which that information is subjected. However, governments often require individuals to provide personal information and use such information without consent. Providing access to such information balances the government's needs to provide for the public interest and the individual's right to control personal information.

A further concern regarding access to information has to do with the inclusion of a clause denying access to information if the institution finds the request to be "frivolous or vexatious." Characterizing the request as frivolous or vexatious is not consistent with the premise that individuals have a right to information. Such a right should not be denied because the request is annoying to

those who control the information or because the value of the request is not readily apparent to the institution.

It has been our experience that requests for information under the act are frequently the result of a difference of opinion between the person seeking the information and the institution having control of the information. Occasionally, the relationship becomes antagonistic in nature and the normal process of communication breaks down, leaving a formal request under the act as a last resort. Under such circumstances, there is the possibility that the institution may be too quick to interpret the request as frivolous or vexatious, or to be perceived by others as doing so. Generally, it is best to leave judgements about the nature of the request or the requester to a third party.

A similar situation existed in the Planning Act, which gave upper-tier municipalities and other delegates the authority to approve plans of subdivision. These delegates were also given the right to refuse a request to refer a plan of subdivision to the Ontario Municipal Board if they believe the request to be frivolous, vexatious or not made in good faith. Because the delegates were reluctant to give up authority to the municipal board, there were instances of abuse of this right to refuse to refer a plan to the municipal board. The Planning Act has since been amended to make referrals of appeals about plans of subdivisions automatic.

It is understood that the proposed changes are the result of attempts to streamline government and reduce operating costs. However, in a democracy in which every individual has reasonable access to information regarding the operations of government, every taxpayer is an auditor. This provides an excellent check on government efficiency and operation.

I'd like to perhaps break with some of the normal procedures at this point and ask a couple of questions of the committee, if I could.

**The Chair:** That depends. You can ask questions all you want but there's no stipulation that says they have to be answered. I'm sure that those who can will do the best that they can.

**Mr Bradley:** Just like the House.

**Mr Young:** We'll respond.

**Mr Kormos:** Etiquette.

**The Chair:** Just to let you know that under the standing orders there's no requirement that anyone does.

**Mr Balz:** I appreciate that, and I'll ask the questions and hope that if they can't be answered at this point, they will certainly be considered and whatever changes necessary to answer these questions would be made.

The first question: How can the province ensure that the electors of a municipality have input into decisions regarding restructuring of their municipality? That has to do with the concern that changes could be made to a municipality through restructuring without any of the electors in that municipality having input into the decision, and in fact without any of their elected representatives having input into that decision. That was the first question. Should I ask the rest of the questions?

**The Chair:** Yes.

**Mr Balz:** The second question: The provisions under Bill 26 regarding transfer of municipal services appear to create a tug-of-war situation between upper- and lower-



tier municipalities. What is the purpose of creating such a division between municipal governments? How does the committee foresee such conflicts being resolved?

The third question: Given that the government anticipates the passage of Bill 26 by the end of January, there must be some ongoing preparation of the regulations regarding fees for access to information under the freedom of information acts. What fee structure is being considered at this time? There have been reports from the media about a search fee of \$55 per hour. Is this correct?

That concludes my questions. I'll be happy to listen to any answers or answer any other questions.

**The Chair:** We have four minutes per caucus for questions. We begin with the opposition caucus.

**Mr Bradley:** My first question is an answer to one of your questions in terms of your asking about, number one, having input. I can tell you that your locally elected members of the Legislature will not have input, because this is not going to be a legislative change. This is going to be a regulatory change. The minister will nod his head and that will be it. There will be no vote in the Ontario Legislature on that, as there always has been, as there was over at Westminster township, where there was a vote.

You mentioned a concern about fees that could be charged at the local level, so I'll ask you this question and try to see how people are feeling about this. While it's allowing municipalities to impose fees, while it's cutting transfer grants to municipalities and while it's allowing municipalities to embark upon new forms of taxation, do you believe that the provincial government should be providing a tax break of 30% on the most progressive tax, which is the provincial income tax, in order to allow local municipalities to raise the most regressive form of taxes, that is, user fees and property taxes, when this will cost the government of Ontario and the taxpayers of this province \$14 million a day to do it? We will have to borrow \$20 billion, which will cost \$5 billion in interest, to pay for this tax break. So are you in favour of a provincial tax break, which costs the province that much money, only to have the local tax rate or user fees raised?

1720

**Mr Balz:** I'm here today as a speaker for PENS, which is mostly concerned with the process of government, communication between voters, residents, citizens and their various levels of government, particularly concentrating on municipal government. That's really beyond our area of interest or expertise. Although it might be tempting to answer it as an individual, I think that would be inappropriate at this time.

**Mr Bradley:** I think PENS should be interested in that, because that's what a municipal government is all about. It's the powers that you're getting and how much money you have to spend or not spend to provide services.

My next question relates to a concern you've expressed about who pays if there's user fees. Am I right to suspect that you are worried without clarification that if someone calls the fire department because a neighbour's house is on fire, that person in fact could be charged or the person whose house or car is on fire could be charged, or a

person calling police, because they're spotting something happening? Are you concerned that we're going to be in a mishmash of trying to determine who's at fault for making the telephone call?

**Mr Balz:** I'm concerned that it's not clear who would be paying. If my house were on fire, I would not want my neighbour having to consider whether or not he or she would be charged if they call before doing so. In fact, I think it would be tempting perhaps for municipalities to charge a fee should there be a false alarm.

However, there are two types of false alarms. Some are malicious, and there's already legislation dealing with that sort of situation, and some are accidental. I may see something that looks like smoke coming from my neighbour's house and I may call the fire department. It may turn out to be my neighbour trying to tune up his or her car, out of my view. I don't know of any fire department that would advocate anything but erring on the side of caution in a case like that.

**Mr Silipo:** I'm going to try to answer some of the questions. It seems to us, Mr Balz, that probably the best way that the province could ensure that the electors of the municipality have input into decisions regarding restructuring would be to withdraw this bill and to start again and to put together a useful process.

No one that I've heard, certainly not we, would argue against the need for restructuring municipalities or many other services. The problem that we are having is with the kind haphazard way in which this is being done. One of the fundamental things in that is exactly the point that you've made throughout your presentation, which is that there is no provision in any of this for citizens to be assured that they will have a voice in the process. We believe that could be done, while at the same time still allowing restructuring to happen in a useful time frame and in a way in which political decisions at the end of the day could be made, and could be made, if need be, by the Legislature if there wasn't agreement reached at the local level.

The back-and-forth which I think you get at in your second question that's there is also, we believe, part of the kind of, at best, core planning that's coming forward in this bill that we think, again, some more thought going into this might help with. It was interesting that when we asked the mayor of Niagara Falls earlier today, even with all the problems that they have to deal with, he was pointing out that there was nothing, in his view, that warranted this legislation as related to municipalities having to proceed at this point; that in fact taking a bit more time and reflecting upon the things that people like yourself and many organizations have said to us would be quite useful at this point.

We hope that's something the government does, including, to get to your third question on the issue of regulations, coming forward with the information that the government has put forward undoubtedly so far, as you say, in terms of regulations regarding fees or many of the other changes. We know that it is the government's intent to put a lot of the information into regulations, not into legislation, and we think it would be useful if those regulations were also out in the public arena before they become finalized so that the public has a chance to take



a look at them and that we also see those alongside whatever amendments the government is prepared to put forward. That would be part of our answer to that, and I'm sure that the government members will hopefully shed some further light on this.

**Mr Hardeman:** Thank you for the presentation. Just to carry on with the last comment as to how we would answer the questions, on the first one, having the electorate involved, I would see that the process is put in place that the most appropriate way to have restructuring take place, and the preferable way, is the initiative coming forward from the local municipalities. When they have done that, they have to have met the criteria set out by regulations, which could and should include the requirement for the public input. So if the minister was going to implement that through regulation, then he was convinced that it was the wish of the local people.

The reason for the process is that in the past number of years many of these studies have been going on. Very few have been able to reach a point of unanimity, which is presently required to implement anything. The only ones that were able to be implemented were the ones that were implemented by Queen's Park, some would suggest through great public debate by having it go through the Legislature for three readings in two days of debate. That was not the public involvement in the process. We see this as a far more publicly oriented process than the former system.

You ask why the division between the upper and the lower tiers and the need for that part of the act. In the restructuring process or in the need to rationalize government, there is a need to look at, depending on the service, which level of government could best deal with that service. When that's decided by the majority of municipalities, representing the majority of the population, they should then be allowed to implement that to provide the best, cost-effective service for the ratepayers.

Recognizing that that service is already being provided by one of those tiers, the municipalities—they're not talking about new services; they're providing that now—if the majority decides that it can be provided in a better and more economical way, they should have a forum to be able to do that. That's the reason for that part of the section.

The last question I would ask Mr Sampson to address.

**Mr Sampson:** I find your discussion about the freedom of information issues related to Bill 26 rather intriguing because one of the things we want to get out of this series of meetings is some indication from people like you what appropriate rate levels and fee levels work. I was interested to see that you think that a \$5 transaction fee is an appropriate number. It helps reduce the volume of requests. I'm not aware of a \$65 figure, to give an answer to you, but that number has yet to be determined, as far as I understand.

But you tell me. Is it your sense that costs with respect to information recovery should be covered by the person

asking for it—photocopying costs, human resources time that's consumed in getting the information—or should the public purse, in your view, bear some or all of that cost?

**Mr Balz:** I think the present legislation is an attempt to balance the right of the individual to have access to that information with, of course, the need of the municipality not to spend huge amounts of money on this service and the right of those who don't have an interest in the information not to necessarily being paying for that. The existing structure in which people pay a reasonable amount of money for anything over two hours' research time and for photocopying costs, I don't think, is particularly excessive.

I believe that the vast majority of requests are fairly small, made by people who aren't making hundreds of requests. They want a specific piece of information and it can be found fairly easily. This gives them access to it without too much difficulty.

**Mr Sampson:** The problem is, as you probably know, it's not the vast number of requests that cause the cost problem. It's the people who say, "All right, this is the information I want; stop after two hours," and then they have a series of those requests. There's no recovery of costs, but sort of half the information or three quarters or a quarter or an eighth of the information is produced and eventually provided. How do we deal with that? That's where the lion's share of the cost of all these freedom of information requests is borne.

**Mr Balz:** I'm not aware of the abuses. The reports of abuse that I was aware of are individuals who continually make requests either for the same information or for information that they've been turned down for. They appear to be not terribly sincere in getting that information. It seems to be just more an opportunity to, I guess, irritate people.

Certainly I wouldn't be concerned that overall there be a great amount of volume. In St Catharines, in speaking to our city clerk—this was a year or two ago—there were only about a dozen requests under the freedom of information act in a year.

If I understand your question correctly, you're saying that some people are requesting part of something and then going back and making another request and gathering a huge amount of information by requesting it in parts.

**Mr Sampson:** There are a number of ways in which you can get around the two-hour limit.

**Mr Kormos:** Fill us in.

**Mr Sampson:** I'm sure you know what they are.

**The Chair:** Mr Sampson, I apologize for interrupting, but the half-hour has come. I'd like to thank you, Mr Balz, for coming forward and making your presentation to the committee today.

The committee is adjourned till tomorrow morning at 9 am in Hamilton.

*The subcommittee adjourned at 1732.*







## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

### **Substitutions present / Membres remplaçants présents:**

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

### **Also taking part / Autre participants et participantes:**

Agostino, Dominic (Hamilton East / -Est L)

Bradley, James J. (St Catharines L)

Cooke, David S. (Windsor-Riverside ND)

Froese, Tom (St Catharines-Brock PC)

Hudak, Tim (Niagara South / -Sud PC)

Kormos, Peter (Welland-Thorold ND)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



# CONTENTS

Thursday 11 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i></b>	GS-527
St Catharines Professional Fire Fighters Association	GS-529
Terry Colburn, president	
Canadian Taxpayers Federation	GS-533
Tom Charrette, Ontario membership development	
Taxpayers' Coalition Niagara	GS-537
Charles Atkinson, president	
Project SHARE	GS-541
Roxanne Felice, executive director	
Amy Begnucolo, president, board of directors	
Chamber of Commerce of Niagara Falls	GS-545
Ted Salci, incoming president	
Glen Gandy, managing director	
Niagara South Ontario Public School Teachers' Federation	GS-548
Dale Ford, president	
Ted Krasowski	GS-553
Port Colborne and District Labour Council; United Steelworkers of America	GS-557
David McIntosh, vice-president, Port Colborne and District Labour Council; president, Niagara Peninsula Steelworkers area council	
Rose Bisson, president, Port Colborne and District Labour Council	
St Catharines and District Labour Council	GS-561
Gabe MacNally, president	
Ed Gould, representative, Coalition for the Unemployed	
Cliff Kostyniuk, representative	
Malcolm Allen, representative	
John Dawson; Jane Hughes	GS-565
City of Niagara Falls	GS-569
Wayne Thomson, mayor	
Women Against Bill 26	GS-573
Darlene Fisher, representative	
Pamela Jones, representative	
Sharon Bassett, representative	
Belinda York, representative	
Emilie Fowler, Niagara Chapter of Native Women	
Wendy Sturgeon, representative	
Carrie Macfie, representative	
Ontario Professional Fire Fighters Association	GS-577
Peter Skowronek, executive vice-president	
Henry Labenski, district vice-president; past president, Welland Professional Fire Fighters Association	
Jim Lee, president	
Niagara-on-the-Lake Conservancy Society	GS-581
Laura Dodson, president	
Gracia Janes, vice-president	
PENS	GS-585
Steve Balz, co-chair	



GS-10



GS-10

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of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Friday 12 January 1996



**Journal  
des débats  
(Hansard)**

Vendredi 12 janvier 1996

**Evidence subcommittee  
Standing committee on  
general government**

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

**Savings and Restructuring Act, 1995**

**Loi de 1995 sur les économies  
et la restructuration**

**Non-health-related issues**

**Questions non reliées à la santé**

Chair: Bart Maves  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Friday 12 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Vendredi 12 janvier 1996

*The subcommittee met at 0902 in the Sheraton Hotel, Hamilton.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, ladies and gentlemen. Welcome to the standing committee on general government. Before we begin our proceedings this morning with our first deputant, we have a motion from Mr Agostino.

**Mr Dominic Agostino (Hamilton East):** Thank you, Mr Chair.

Whereas Bill 26 impacts in a major way on every individual in Ontario;

Whereas Bill 26 requires broad public input before being passed into law;

Whereas there are 82 groups in Hamilton that want to provide input into the bill, but only 15 will be heard;

I move that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged for the community of Hamilton.

**The Chair:** Would you like to speak to the motion?

**Mr Agostino:** We have heard constantly, in every city we've gone to, demands for more time, for more opportunity and for more people who want to come forward and express their views to this committee and to this government on Bill 26. This is fundamentally the most important piece of legislation this government may table during its mandate, and although the government finally gave in to opposition demands for public hearings—extensive in its view, but not in the view of the opposition—we do not believe it is enough. We do not believe it has given people across Ontario enough time.

Every time a group comes forward there are further suggestions, further ideas, further views that are new to this committee, and allowing this to continue for a period

of time after the 29th would give opportunity to people in this community and across this province.

In Hamilton—I'm going to go through a list for the record, Mr Chairman—these are the people who have been denied access to this committee:

John Andrachuk; Anne Demeter; James Dodson; Margaret Fox; Peter Tyndall; Dave Steinberg; Charles Johnston; Matt Wilson; Tom Eyre; Brantford Public Utilities Commission; Burlington Professional Fire Fighters Association; Canada Watch Network; Canadian Environmental Industry Association; the Canadian Federation of Students; Canadian Union of Public Employees; CAVIAN; Canadian Auto Workers, Locals 4401, 504 and 558; the city of Burlington; the city of Hamilton; Barbara Hall, mayor of the city of Toronto; Cultural Interpreting Service; CUPE, Locals 786, 1065, 1605, 3566, 778, 794 and 839; the CWA; Dufferin-Peel Roman Catholic Separate School Board; Dundas Professional Fire Fighters Association; Falconbridge Ltd; Halton Elementary Teachers' Association; Halton Regional Coalition for Social Justice; Hamilton Professional Fire Fighters Association; Hamilton Teachers' Federation; Hamilton Women Teachers Association; Iwanas Ferrous Ltd; Lincoln Chamber of Commerce; McMaster Ontario Public Interest Research Group; McMaster University; Metropolitan Toronto School Board; Municipal Electric Association; Norfolk NDP Riding Association; Ontario Private Campground Association; Ontario Federation of Labour; OPSEU, Local 213; the region of Hamilton-Wentworth; the region of Ottawa-Carleton; the regional chairmen's association; the regional municipality of Halton; Salary Action Committee; Scarborough Professional Fire Fighters Association; Senior Tenants of Hamilton; Simcoe and District Labour Council; Stoney Creek Professional Fire Fighters Association; the Strategic Directions Council of Public Libraries; the regional municipality of Hamilton; the Toronto electric commission; the Toronto electric commissioners; the United Steelworkers, Local 1005; USWA Hamilton; the Voice of Canadians Committee; Burlington Public Library; and Anne Gillies.

Mr Chairman, these groups have been denied access to this committee by this government.

**Mr Tony Silipo (Dovercourt):** I would like to speak briefly in support of this motion. As you know, we tabled a similar motion with you this morning, as we have indeed every other morning this week. We've done that because in each community we've visited, from Windsor to London to Kitchener-Waterloo to Niagara Falls and now here in Hamilton this morning, we have found that



the interest in this bill far exceeds the number of spaces available for people to speak. While that always is the case to some extent with any major piece of legislation, we are finding that it is there to a far greater extent with this piece of legislation than with any I've ever seen.

That's the case because clearly Ontarians are beginning to understand the far-reaching implications this legislation has for devolving a great deal of power to individual ministers, for providing broad powers of taxation to municipalities, which people say they want more clarification about at the very least. It's interesting that even those groups that have appeared so far before this committee to express support in a general way for what the government is doing, support in a broad way for the bill, have very quickly moved to outline a number of concerns they have with this legislation, and want at the very least to have the powers given to municipalities severely curtailed in terms of the number of taxing powers, or to have them explained. We heard this yesterday, we heard it throughout the week.

For those reasons and because, listening as we have been to many groups and individuals, while the themes have been consistent, it's fair to say we have been garnering new insights with every presentation, and it's incumbent upon us to provide a mechanism for people who want to continue to be heard.

The other useful part that's before us is that there would certainly be a mechanism, with agreement among the three parties and the three House leaders, for us to be able on January 29 to sever those pieces of the bill over which there is little or no controversy and deal with those, to then spend more time on those other sections of the bill that require greater study and over which people are much more concerned.

Although this has become a routine motion in the sense that we've raised it every day this week, we do hope it is taken by the government members as much more than us putting forward this notion that people need to be heard. I hope they are beginning to realize that there is a great deal more substance here that requires more thought and more work and that this is one vehicle through which that can be accomplished.

**Mr Rob Sampson (Mississauga West):** It's important in speaking to this particular motion to put a few facts on the table that we need to have in our mind when we give consideration to it.

First, there is the committee time, the hours we have been and will be sitting, reviewing this legislation with the public in the form of public hearings and inclusive of committee time in clause-by-clause review. I've looked at this and I've done the calculations; this committee, which was struck last year, will allow this government to spend more committee time than on any other piece of legislation in the last two parliaments, clearly reflecting our view that it is indeed a significant piece of legislation and does certainly require some consultation.

We're prepared, by the way, to receive written submissions, as I've said earlier, from individuals who are not able to get on the list. I have one that was given to me this morning that I will table right now. I would ask the clerk to circulate it to the other members and we'll give it due consideration. That, to my knowledge, by the

way, is the fourth written submission we've received during the now two full weeks of hearings, two full weeks during which we've suggested that for people who cannot make it here, we're prepared to receive written submissions and they will be given due consideration.

The other thing that is important to realize is that twice so far in the two weeks we've had hearings, we've the same individual at the table in two different locations. I would hope that if individuals are coming again to this table, if they have come to us before in other city locations, they would yield to people who were not able to make presentations at the committee table. I am hoping that today and in future days individuals who do that will give full consideration to the fact that there are those who are not able to be here and speak to the table.

I want to clarify that it's not this government that determines who gets on the list. That statement I believe was made by members opposite, that people have been denied access to this table by the government. The allocation and sequencing on the list is not determined by this side of the table, nor by the other side of the table. Procedures were established, based upon agreement by both sides of the table before this committee hearing started, and those procedures are being followed. It was based upon an agreement by all the parties about how the names would be dealt with and what the sequence would be. That process is being followed. We do not propose changing that, and I've not heard anything from the other side that we do.

**0910**

There have certainly been interesting proposals raised with respect to this legislation. We've said all along that we're prepared to listen. Three ministers spoke to this committee on the first day and indicated our preparedness to listen. We're going to do that. We have had some very good suggestions come forward. I want to hear from the rest of Ontarians before we make a decision about what the resolutions and amendments should be. Clearly, we're not prepared to draft amendments and determine the depth and breadth of the amendments until we've had deputations from all the people we're prepared to listen to. I think that's appropriate for the other people in Ontario, the people of northern Ontario, whom we will be seeing next week, and the health committee will be doing the route we just finished this week.

I believe there is sufficient time to deal with this legislation. Issues are coming up, and we're prepared to listen and respond to them. It's not in our purview to have the House leaders deal with it in any manner other than what was agreed to by all the House leaders and the parties at the time this committee and the process for this committee were struck. I conclude my comments by saying that we believe there is sufficient time, and we'll be voting against this particular resolution.

**The Chair:** Before I take the vote, I'd like to recognize Mrs Ross from Hamilton West and Mr Christopherson from Hamilton Centre, who join us today. Mr Agostino is also with us today as a voting member. Mr Phillips is also a voting member, and so is Mr Silipo, along with Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young. That being done, I'd like to put the question. All those in favour?



**Mr Silipo:** A recorded vote.

**The Chair:** In a recorded vote, all those in favour?

**Ayes**

Agostino, Phillips, Silipo.

**The Chair:** All those against?

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

I'll let it be known that Mr Silipo has tabled a very similar motion. We'll rule that out of order since we just had debate on that, but he has filed that motion.

#### HAMILTON AND DISTRICT LABOUR COUNCIL

**The Chair:** Will our first deputant, the Hamilton and District Labour Council, please come forward. Good morning, gentlemen, and welcome. You will have half an hour this morning to make your presentation, which you may use as you fit. You may wish to leave some time for questions from the three caucuses. I'd appreciate it, for the benefit of committee members and for Hansard, if you'd start by introducing yourselves and your organization.

**Mr Wayne Marston:** Thank you, Mr Chairman. My name is Wayne Marston; I'm the president of the Hamilton and District Labour Council. With me today is Andy Paterson, who is the vice-president of the Hamilton and District Labour Council and president of CAW Local 504.

It's a very interesting mood to see around these hearings. I guess formality demands that we must thank you for the privilege of making a presentation, but I must say that has to ring hollow in many people's ears, as a result of the clamour that had to be made to even get these hearings.

I'll preface the labour council's brief with a few observations. In the minds of many citizens of Ontario, 1995 saw Ontario take a sharp turn to the right with the election of this government. I'm sure you won't be surprised to hear that I wasn't particularly happy with the result. It is true, though, that by virtue of our political system, when 45% of the public votes for one particular party, it then has the right to govern. But I submit to you that what this government has been doing is not governing but dictating.

From where I sit, I'd have to say the June 8 election has brought to power the most retrogressive government in Ontario's history. This government clearly has an agenda which includes the dismantling and laying to waste of many of the gains provided by the more progressive pieces of legislation over the past 50 years. This government seems prepared to roll back legislation that was brought in by previous Tory governments. Mind you, the Davis Tories were not as reform-minded—or much less ideologically driven—as this government.

Bill 26 represents nothing short of the single greatest power grab in the history of the province. I want to say to those who are not familiar with the history of Canada's

labour movement, and who as a result are easily led to believe our only objections to this government's actions are because of Bill 7, that this is simply not the case. The fact is, the Ontario labour movement has a proud history of defending not just its members but also the weak and voiceless in our society. No one should be surprised that the labour movement is positioned as few others to oppose this nonsense revolution. One bit of advice: When you, the elected voice of the people of Ontario, attack the so-called big unions, remember, you're actually attacking the ordinary, hardworking people of Ontario.

Our formal brief will start at this point. The Hamilton and District Labour Council represents over 100 affiliated locals with a membership in excess of 30,000 active and retired members and, in addition, their families. The labour council is more than concerned about the proposed changes under Bill 26, the Savings and Restructuring Act. This act, if passed, would change the entire way that the provincial and municipal governments do business in Ontario, yet this provincial government is not affording the appropriate time for proper public consultation or debate in the Legislature.

This bill, if passed, would give cabinet ministers unprecedented power to make decisions on the delivery of public services and in the operation of public institutions. Municipal governments will have the power to establish user fees and impose new taxes and be able to drive down public sector wages. The bill also allows cabinet to make decisions by regulation or administrative order without parliamentary debate or any opportunity for public discussion or scrutiny.

As a trade union body, we cannot allow any piece of legislation to go unchallenged that would allow cabinet ministers to cancel or eliminate any contractual rights contained in existing binding agreements and then to prevent enforcement of these agreements in the courts. These provisions specifically apply to agreements between the government and the Ontario Medical Association and the government and the Ontario Public Service Employees Union.

This bill would also empower cabinet with the ability to make regulations that would override the provisions of any collective agreement or contract, and even override or provide exemptions from the provisions of other legislation. The bill will also reverse or eliminate certain decisions already made by the courts under existing legislation and will insulate the government against any liability arising from future court decisions.

To this labour council, it is clearly incomprehensible for one piece of legislation to create three new acts, repeal two other acts and amend 44 other acts. Bill 26 contains over 200 pages and the compendium provided with the bill consists of 2,225 pages, even though it does not include a full text of all the acts to be amended. In the opinion of the labour council, it is impossible for any MPP to have even the slightest understanding of what is being passed in this bill.

There are many sections of the bill which will detrimentally affect the wages and living standards of many of the affiliates of our labour council in the public sector. These are included in schedule Q, which would require an arbitrator to consider the following criteria:



(a) The employer's ability to pay in light of its fiscal situation;

(b) The extent to which services may have to be reduced if the current funding levels are not increased;

(c) The economic situation in Ontario and in the municipalities concerned;

(d) A comparison of the terms and conditions of employment and the nature of the work performed by other employees in the broader public sector; and finally,

(e) The employer's need for qualified employees.

These provisions will interfere with the integrity of the arbitration process by requiring boards of arbitration to consider these criteria in awarding collective agreements.

**0920**

The bill deprives employees in the fire, hospital, police, public service and school board sectors of a fair and impartial mechanism for determining their terms and conditions of employment. This bill is wrong and unfair and should be withdrawn.

Also of great detriment to our brothers and sisters in the public sector is the section of the bill amending the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, 1994. The changes proposed by the government are solely for the purpose of facilitating the privatization and downsizing of the public sector. They will strip public sector employees of pension rights which they would normally have had under existing laws. This government is taking steps to exempt itself from the normal obligations faced by an employer that undertakes a massive layoff.

Typical of this government's unfair treatment of workers in the case of women is the amendments to the Pay Equity Act. These amendments will take away fairness in the compensation packages of many women. There are an estimated 100,000 women in low-paid jobs such as day care and nursing homes where they have no male-dominated job classes of equal value at the same employers to compare wages with for the purposes of pay equity. Proportional pay equity, introduced in 1994, would have assisted these women by proportionately comparing their wages to male-dominated job classes at the same employer at different levels of skill, effort, responsibility and working conditions. Proxy pay equity was also introduced in 1994 for public sector employees who had only female-dominated job classes, by comparing these job classes to a proxy establishment that had been able to establish a pay equity plan. As a result of these sections of Bill 26, women who would have had raises under these sections of the Pay Equity Act will now have raises which will be far lower. Once again this government hurts the workers who are least likely to be able to defend themselves.

Also contained in Bill 26 are changes to the Municipal Act and other statutes related to municipalities. These changes give the Minister of Municipal Affairs much greater power to restructure with the goal of privatizing public utilities and services and the establishment of user fees. Changes under Bill 26 in many cases will allow the restructuring of municipalities without public input. Residents could see municipal restructuring which could result in privatization, user fees, large property tax

increases or a large reduction in service, and never have the opportunity for any input.

This omnibus bill also contains changes such as those to the conservation authorities, the Forest Fires Prevention Act, Lakes and Rivers Improvement Act, Game and Fish Act, the Mining Act, as well as many changes in the health care field, and even roadblocks to the public in receiving information under the freedom of information act.

That begs the question: What would people have to hide? The freedom of information act is an important tool for the ordinary citizens to make governments accountable and to make other parts of our community accountable. This bill is wrong. It is too all-encompassing, too broad in its changes, and this government is denying the public proper, meaningful input, as well as the opposition members a meaningful debate.

The changes contained in Bill 26 will have a more direct and devastating effect on the citizens of this province than almost any bill in our history, yet this government will ram it through the Legislature with even most of its own members not fully understanding the ramifications of it. This is wrong and undemocratic, and this bill should be defeated not only by the opposition members, but by Tory backbenchers as well.

Beyond this brief, from my perspective, when considering your government's record to date, it seems this particular Ontario government is acting cowardly. Only cowards would begin their nonsense revolution by attacking those in society least able to defend themselves, such as battered women, children, seniors and the unemployed. You know and I know your government has been preparing for next year's ill-conceived tax break on the backs of those least able to fight back.

This government began its mandate by ignoring democratic process by making many of their cuts before the Legislature was in session. This was clearly done to prevent the opposition MPPs from being able to fight back on our behalf and the public's.

Your party claims to have consulted the public over the past four years. My question is, who the hell else was in the closet with you? Your party surely wasn't making its members available to the working people of this province. Is this 1990s democracy, Tory style? The one word I believe applies to the style of governing we've been seeing is "ruthless," just totally ruthless. Beyond the cuts, which dramatically damage our friends and neighbours, and beyond the bunker mentality displayed by the Premier and his cabinet, and beyond your government's total disregard for democratic process comes Bill 26, a bill which proposes to place tremendous power directly in the hands of ministers and furthermore remove our elected representatives from the democratic process.

I sincerely believe there has been no greater threat to Ontario's democracy in our lifetime than that posed by the undemocratic actions of this government. The actions of this government have forced many citizens of this province to mobilize as never before. Coalitions are being formed whose members come from the ranks of the unemployed, the poor, battered women and children, from church groups and from labour. These coalitions share one resolve: to continue to use every possible method,



peacefully and resolutely, to oppose the undemocratic methods employed by your government. Their sole purpose is to stop your government from further decimating our democratic society. When any government leader, Premier or otherwise, undertakes to impede or eliminate the people from the democratic process, they have but one choice, and that's to resign.

In your government's haste to appease your corporate masters, you have threatened the very essence of what makes Canada different from many nations. Your party disgracefully used fearmongering, racism and sexism in your campaign. If allowed to carry on, I believe your government's reckless cutting and slashing will lead to the end of the middle class and set us on a road to a society of haves and have-nots, a society of two-tier education and two-tier health care. Those with money who can afford user fees will get services, and those without money will simply have to do without.

I know we have a debt and deficit problem. I accept there are things that governments must do to begin to address them. I also know the trickle-down theory of Thatcher and Reagan has been a proven failure. Your government must come to realize that jobs and sustainable growth can be created by direct government intervention and its full participation in the economy. Over the past two years there has been significant investment in the province of Ontario, and at the same time corporate salaries have grown. Some have referred to this time as "the jobless recovery." The corporations this government seems to count on to generate jobs have already shown you what they will do with profits: They'll go to the board of directors and they'll go to the shareholders.

When your government cut social assistance payments, you not only hurt those who could least afford it; you also hurt the small businesses where they spent the money. Lord knows, social assistance recipients have to spend every cent they get. The unemployed and workers who have lost their jobs and now are considering or trying to re-enter the workforce will do so with a substantial loss of earnings. They are not going to be the consumers that this government seems to be counting on to help kickstart the economy.

Government efforts to generate and protect investment in the province require a stable labour force to be successful. Workers and their representatives have a significant role to play in this process. The end result of the continuing of a confrontational style of governing will not prove to be in anyone's interest.

The government members of this committee could choose to walk away from these proceedings ignoring the great number of warnings they've received, warnings which have come from very sincere and concerned citizens of the province, people who have taken the time to attempt to get this government's attention; or, instead, you could begin to examine those aspects of our democracy which have made Ontario and Canada great. If you do, you will soon learn that this greatness comes when the participation of all citizens in the process is valued and protected by its elected officials. I believe it's the job of all elected officials, as it is for all citizens, to protect the vulnerable and to ensure Ontario remains a province of equals.

**The Chair:** Thank you. We have four minutes per caucus for questions, starting with the third party.

**Mr David Christopherson (Hamilton Centre):** Thank you, Wayne. I know I join with my other two Hamilton colleagues in welcoming everyone to Hamilton. I want to specifically welcome the committee to my riding of downtown Hamilton Centre and hope you have a chance to enjoy a bit.

Four minutes is not an awful lot of time, but I think it's important, particularly with the Hamilton and District Labour Council being first up and my having played a role in our party's response to Bill 7, which was really the run-up to this bill: The reason we did what we did in the Legislature was because we saw what this government will do in terms of running roughshod over democracy. Bill 7, which replaced the entire Ontario Labour Relations Act—not just amended it, replaced it—did not even have a minute of public hearings—not one. We've also had major changes to the WCB. Now with Bill 26 and the way they were trying to ram it through, does anybody at all in this province fault the opposition for what we did in terms of forcing these kinds of hearings in this time frame, and as we've heard already, it's still not nearly enough.

**0930**

Wayne, I just want to ask you a general question in terms of all the concerns you've raised and all the things you've identified. We know that for our economy the partnership between government, business and labour is an important component of our success in being world competitors. Overall, what would you say has happened in the Hamilton area with regard to that kind of partnership that we've seen over the last few years in terms of the introduction of measures and legislation by this government? How will that affect relationships with employers in this particular community and how will that affect your members and the citizens of our community?

**Mr Marston:** One of the impacts that will happen as a result of some of the changes we've heard about and have seen so far is that it will force labour to have to go back to the employers and make demands on the employers which were part of the legislative process before. We had rights that we lost under Bill 7 which we'll now have to fight for and get involved with disputes with employers about that we thought were parts of the past. We don't need these kinds of disputes. We need to be able to work together to make the gains that are necessary for all the partners.

**Mr Christopherson:** We've pointed out before that there are so many changes in Bill 26, and I can't recall ever in my time in public life when the bill number has taken such a hold with the public mindset. People all through the Christmas holidays were saying to me, "So what's happening with Bill 26?" I don't think that's ever happened before, when there's been that much attention riveted. What do you expect will happen in terms of labour's response if Bill 26 is just rammed through in its current form—again back to that relationship between the unions and the workers, the employers and the government to a large degree—in this particular community?

**Mr Marston:** First of all, your point's well taken about people talking about this bill. At local union



meetings you rarely hear political discussions because they're more concerned with the working conditions and that. Bill 26 is coming at us from places we wouldn't have expected. They're putting us, as representatives of the people, in a position where we will have to confront the government and confront our employers on a lot of issues we would have preferred not to, but there's no choice.

**Mr Joseph N. Tascona (Simcoe Centre):** I thank you for your presentation. I note that you're with the Hamilton labour council and you'd be representing all the private and public locals in the Hamilton region.

Based on what Bill 26 stands for, it's certainly not the status quo. As you identify, we're in a fiscal crisis. Certainly it is a new direction and the direction we're looking at is providing services for less money. There's been job creation. I'm fortunate in my own riding. We've had Honda create 1,000 jobs and we're fortunate to have that and certainly we need it in these desperate times when we're looking for good jobs in this province. That's what this government is trying to create an environment for.

With respect to schedule Q, we're all asked in this society to make some sacrifices, trying to make us part of the solution. Everyone has to be part of that process. We think Bill 26 and the measures the government has been doing are trying to make everybody part of the solution. We're not picking on groups. We're not trying to point out that this group's got to pay, that the doctors have to do this, and other groups. It's all part of the overall process and that's what I've heard from the feedback I've got in my riding, that everyone feels they're a part of the solution.

I think one area where we differ is that certainly we have to bring some fiscal reality to the public sector in terms of how we deal with things. We heard from the mayor of Niagara Falls the other day and he said that in their interest arbitration they had brought up ability to pay and that had been recognized by the arbitrator in terms of the economic conditions facing the city of Niagara Falls: tax arrears, very difficult times.

We don't think we're creating a new criterion when we bring in ability to pay. But I'd like to say this to you with respect to the criterion: That criterion is not exhaustive. There are other factors that can be considered. Certainly it is a mandatory criterion, but that's something that only has to be considered and the parties can make submissions on it. Certainly if there is no evidence, then the arbitrator wouldn't be making a decision.

What I'd like to deal with is that there are other jurisdictions that have mandatory criteria, in other provinces. Also, as you know, if you go in front of a judge, a judge has to consider criteria. A judge has to interpret a statute, and this is no different in terms of what an arbitrator would have to do in terms of dealing with the situation. We both know that arbitrators can be selected by both the parties in dealing with the process, so we both have input into the selection process.

The CAW made a presentation the other day and also the London firefighters, and we discussed such things as productivity bargaining where we look at such things as reorganizing the compensation package, trying to do

things better for less, trying to get cost savings and doing a different approach. The CAW guy said to me, "Why don't you get together with your union and start doing such things as that? Because when an employer tells us they haven't got any money and they don't want to do things with less people, we say, 'Let's start bargaining for productivity and we'll discuss it with you.'" That's what he said to us. I'd like to ask you, do you think that's the appropriate way to be dealing with this type of situation we're in, dealing with the productivity approach to bargaining?

**Mr Marston:** I'm not going to start speaking on anybody's behalf who's going to go into negotiations. But what I would say is that if you have a good, stable labour force and they sit down with their employer and that employer opens its books to the union, the union's not going to be suicidal. They're not going to be lemmings going over the cliff to try to bargain for things that aren't there. That's when you have a good, positive working relationship.

The problem we have, as I indicated earlier, is we're going to wind up spending a lot of our time with our employers debating issues that were part of our rights under legislation before, that we've lost. That's going to complicate our ability to get places. You're going to have some—

**Mr Tascona:** But you're talking about Bill 7 now.

**Mr Marston:** Yes, but as indicated here before, one rolls into the other. If you put us in a position of having to fight for what were basic rights, we damned well are going to fight and it's as simple and clear as that. That's what's happened. When you get down to then, you cannot look at Bill 26 and our relationship with employers in isolation from Bill 7. You just simply can't do it.

When you look at what we do when we go to the table, we are there to represent the rights of our members that they have had under a collective agreement, the rights that they thought they had under the legislative process of this province, and if either is lacking, then our job is to try to adjust that and make gains for them.

**Mr Tascona:** Yes.

**Mr Marston:** Now, in this case, we've got to bring them back up to where they were. That complicates—

**The Chair:** Excuse me, Mr Marston. I have to move to the opposition's time.

**Mr Agostino:** Regardless of how the government tries to spin this, what this bill does is it allows the government the tools it needs to come through with its 30% tax cut for its rich friends. That is clearly what is driving this. The arbitration aspect is one clear example of this.

This was a tradeoff to the big money people, to the bond rating agencies. Let me quote from Dominion Bond in regard to the arbitration: "Proposed legislation has been introduced that will give arbitration awards and wage settlements within the broad public sector. This is a very important mechanism that could offset part of the impact of the reduction in grants." This didn't come from the opposition. This came from your friends in the bond rating agencies.

This bill is clearly, particularly as it affects the arbitration rulings, wage controls through the back door, right in Bill 26. This has been called and should be called the



Harris wage control bill because this is really what we're talking about here. It's giving the government, through a back-door attempt, the opportunity to bring in wage controls in this province and to offset its tax cut to its rich friends on the backs of working people.

This is really a sneaky, underhanded way of doing this, and in my view government should come clean and call it what it is. Don't hide it under Bill 26. Don't attack working people the way you're doing. Come clean and say, "We want to introduce wage controls in Ontario," because what you're doing is you're going to have government-appointed arbitrators do the dirty work for you on the backs of people in this province who can least afford it.

0940

My question to Mr Marston: In your view, do you believe that this bill in effect will give arbitrators a back-door approach to impose wage controls in Ontario? Secondly, have you ever seen any sort of wage control bill in Ontario being put through with such little debate and discussion in the public?

**Mr Marston:** We haven't seen any bill go through without the debate that should have been appropriate, but the potential is there to do what you're saying about the settlements to be imposed in a fashion that is well beyond anything we would find acceptable.

**Mr Gerry Phillips (Scarborough-Agincourt):** I appreciate that. I think yesterday we heard several groups saying this is essentially the Harris wage control bill.

I want to follow up on another part of your presentation, and that has to do with pension rights. As you well know, the government is just on the edge of some very important negotiations with its union. It may very well come to a head in the next few weeks.

In this bill is a provision that exempts the government from the Pension Benefits Act. The Pension Benefits Act, as you know as well as I do, protects all pensioners in this province. The government passed what's called a regulation to try and do this in July. The union took them to court. The court said: "The government is acting illegally. You can't do it." Now they're trying to ram through a bill that overrides the Pension Benefits Act, is retroactive to January 1, 1993, retroactive for three years, and it also takes roughly \$250 million that the government would've had to have in the pension—pensioners' money—from the Public Service Pension Act.

What do you think that does to the climate of bargaining when on January 29 this will become law and the thousands of people that the government says it will be laying off will find that their pension benefits are dramatically less than they would've been if the government hadn't exempted itself from the law?

**Mr Marston:** I can answer that very simply. You look around at yourselves sitting here and if someone told you that they were going to put your personal pension and your family at risk, how the hell would you feel? You're going to have a war on your hands. It's as simple as that.

**The Chair:** Thank you, Mr Marston. You've come to the end of your half-hour. I'd like to thank both gentlemen for coming forward to make your presentation to the committee today.

## HAMILTON STEELWORKERS AREA COUNCIL

**The Chair:** May I please have a representative from the Hamilton Steelworkers Area Council come forward. Good morning and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish at the end of your presentation to leave some time for questions and responses from the three caucuses. I'd appreciate it if you'd introduce yourself for the benefit of committee members and Hansard at the start of your presentation.

**Mr Bryan Adamczyk:** My name is Bryan Adamczyk. I'm a staff representative with the United Steelworkers of America and I'm also an executive officer of the Hamilton Steelworkers Area Council.

For your information I am here on behalf of the Hamilton Steelworkers Area Council. The area council represents approximately 14,000 men and women who are members of one of the 80-plus United Steelworkers of America bargaining units in the Hamilton, Burlington and Simcoe regions.

Our membership is very diversified in this part of the province. Some of our units consist of 10 members and our largest is Local 1005 that has a membership level of around 5,000. Our members in this and the surrounding regions work in the basic steel, foundry and automotive industries, the health care sector, the security industry, and we also have members who work at a credit union.

I would like to begin by thanking the members of the Liberal and New Democratic caucuses at Queen's Park whose determination to resist the government's intention to ram through Bill 26 with little debate and no public input was entirely responsible for the existence of this process.

I would also strongly urge the government to extend the hearings. This process is rushed. I understand that over 80 requests were made for standing at today's hearing; 15 spots were allotted. A lot of voices have been left unheard. Furthermore, additional time is needed to review the bill in greater detail and analyse its impact.

We in the labour movement are outraged, to say the least, with the way the government rammed through Bill 7 taking labour legislation and labour relations back 60 years in time. There was no debate or public input when the bill was introduced. When Bill 26, which is the focus of our attention today, was introduced the people in this province said: "Enough is enough, we're not prepared to allow democracy to be replaced by a dictatorship. This bill must be withdrawn."

Bill 26 contains 17 schedules which enact or amend over 40 separate pieces of legislation. If passed, this bill will allow cabinet and ministers of the crown to make decisions affecting the delivery of public services and the operation of public institutions by regulation, ministerial direction or administrative order without parliamentary debate or meaningful opportunity for public scrutiny and without community, local or stakeholder input.

That is the opposite direction from which we were aiming for here in Hamilton. In the past five years there have been a number of community initiatives dealing with the issue of sustainable development that not only spoke about the need for community, local and stake-



holder input but realized the need for such input for a community and a society to grow and prosper.

Bill 26 has been described as a bill that bears the same relationship to the economic statement of the Minister of Finance as budget bills bear to a formal budget. Yet many of the changes proposed in Bill 26 are not even mentioned in the economic statement.

Bill 26, we are led to believe, will give transfer payment partners the means they need to implement financial savings. It is our view that this is an attempt by the government to turn attention away from itself, shuffle its obligations aside and have communities cast blame on the municipalities.

The points in this submission will not address any of the parts of Bill 26 regarding health care issues. We will address those sections of the bill later in the process.

**Interest arbitration restricted:** Many workers in Ontario are denied the right to strike in support of their collective bargaining demands on the ground that they provide services so important to the community that life or health would be threatened if they were to be withdrawn. As an alternative to the right to strike, these workers have access to a process of interest arbitration in which a neutral third party determines the final contract in the event of a dispute.

Bill 26 contains amendments which could significantly interfere with the independence and integrity of the arbitration process. Requiring arbitrators to take into account ability to pay could render the interest arbitration process largely irrelevant since the use of ability of pay could allow the government and employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets. The collective bargaining process would be a sham because employers would argue that arbitrators are bound by the employer's budgetary decision. It would greatly weaken the opportunity of employees in the public sector to obtain fair collective agreements.

Our brothers and sisters in the public service sector deserve a better shake than this. They are a valuable resource to the people of this province and should not have their ability to obtain a fair collective agreement eroded by this amendment.

**Pension cuts for laid-off public service workers:** The Pension Benefits Act provides for additional rights for plan members whose service is terminated as a result of a major layoff or a shutdown. In these circumstances the superintendent of pensions has the power to order a partial windup of a pension plan.

These additional rights include a guarantee that the employer's contributions will fund at least 50% of the cost of the pension, the right to immediate vesting of the employee's entire pension and the right to "grow into" early retirement and bridging benefits.

Bill 26 exempts the two pension plans for which the government of Ontario is responsible—the public service pension plan and the OPSEU pension plan—from these provisions, thus denying their employees facing layoff literally thousands of dollars in the pension entitlements that are the right of every other worker in the province. If that isn't far enough, it makes the provision retroactive

and gives employers the power to demand repayment of any amount paid as a result of these provisions after that date.

Public service employees should not be denied these rights. Making these provisions retroactive is absurd and ridiculous, to say the least.

I'd just like to say I don't know how many people in the government have faced a layoff, have had a plant in which they worked shut down. When the Hamilton area was hit, we were hit badly with plant closures. A lot of them were Steelworker plants. Those people who lost their jobs at least had their pension, at least it was locked in and at least in the partial windup some were able to retire early.

A lot of people wanted to make sure that when they were able to retire, they would have their pension there. In some cases that's all they got, because some employers just went bankrupt. Thank God for the last government, because in one bankruptcy we had at least the guys got 5,000 bucks out of the employee wage protection fund, but they never got anything else. At least their pension was there, and pensions are a big issue for people in Canada today.

I don't know if the CPP is going to be there when I retire, and what you're saying here is that these people are not going to be entitled to pension rights that every other worker is entitled to. Not only that, but when I'm at the bargaining table and negotiating a collective agreement, some of the money goes towards wages, benefits and pensions. When our people negotiate a pension increase, rather than taking the costs of the pension, an increase in the dollar, and putting it in their pockets, those are deferred wages that go into their pension. Those are their wages that they're entitled to.

#### 0950

**Elimination of proxy valuation in pay equity:** Proxy value provisions were added to the Pay Equity Act in 1993 to provide for pay equity for female employees in the broader public sector who were denied access to pay equity under the act because there were no male job classes at their workplaces that could be used as a comparator. Women who were to benefit by that amendment work in jobs that are traditionally low paying: women who work in nursing homes, children's aid societies and day care centres. By eliminating proxy value comparisons from the Pay Equity Act, Bill 26 removes pay equity rights from over 100,000 women in the broader public service in Ontario. They would now lose their pay equity rights because their employer does not have a male-dominated job to which their jobs can be compared.

In the kind of retroactive measure that has become typical of this government, even where a proxy value plan has been already posted, the employer is not bound by the schedule of compensation adjustments required to achieve pay equity. Women who work in the above-mentioned sectors will continue to work in low-paying jobs, in jobs that are essential to our society and communities. Their wages should reflect that value.

**Restrictions on freedom of information:** Bill 26 allows an agency head on his or her own to refuse access to records. The information can be refused if an agency head feels the request is frivolous or vexatious. Even



though the determination of the head can be appealed, some people will not be able to afford the costs involved in an appeal process. For those who can afford to appeal, the process could be costly and lengthy. An individual could therefore be denied access to his/her own records and then become embroiled in a lengthy process to obtain the information.

In addition, Bill 26 requires individuals in all cases to pay a prescribed user fee at the time of making the request in order to obtain a record. This has got nothing to do with saving money or restructuring. It has to do with shielding more and more of what government does from public scrutiny.

**Municipal restructuring:** Bill 26 gives the government the power to amalgamate, dissolve or create municipalities, force municipal annexations and include a municipality in a county for municipal purposes. While this power can be exercised at the request of a municipality or local area, it can also be exercised by the Minister of Municipal Affairs without reference to any local request.

It also gives the minister the power to dissolve or change local boards of all kinds that perform municipal functions. It gives the government the power to establish by regulation the rules and procedures governing the transfer of powers between local municipalities and county, regional, district or metropolitan government. This would permit the transformation of local municipal life in Ontario without any further public debate.

**Expanded municipal user fee and tax powers:** Bill 26 grants sweeping new powers to municipalities to levy user charges, including direct taxes. There is the appearance also that municipalities would be allowed to impose poll taxes. Imagine—a household head tax in the province of Ontario. When a poll tax was introduced in England, there was bitter opposition that resulted in violence in the streets and the downfall of Margaret Thatcher.

**Conclusion:** There's a theme running through the many disparate elements of this bill. Bill 26 grants government unprecedented power to make decisions that will affect the very fabric of life in this province. It gives government and officials extraordinary arbitrary powers to make decisions that affect consumers of public services, producers of public services and individual citizens who seek information from the government itself.

Bill 26 gives this unprecedented power in a way that veils those government decisions from public review and debate. Bill 26 is not about less government. It is about less scrutiny; it is about less democracy. It is not necessary and it should be withdrawn.

I'd just like to make a comment on the previous presenter. There was some discussion about the 30% tax rebate. I'm never going to see that and you know I'm never going to see that, because something will happen. The municipalities are going to have to increase the taxes in this community, so I'm never going to see that.

Let me tell you something. If this government was going to give me my 30%, keep it. I don't want it on the backs of women and children in this province. Keep it and give it to those in need, and those in need aren't the people on Bay Street, I'll tell you that much right now.

**The Chair:** Thank you, Mr Adamczyk, for your presentation. We have five minutes per caucus for questions. We'll start with the government caucus.

**Mr Tascona:** Thank you for your presentation. I recognize that the Steelworkers are the fourth-largest union in the province, and I may say in the past I've had the pleasure of negotiating with the Steelworkers. I find them always professional, particularly Leo Gerard, your past president. He certainly did a good job.

**Mr Adamczyk:** District director.

**Mr Tascona:** District director. What we're dealing with here under schedule Q, just to bring a little bit of our perspective on it, ability to pay, as you understand it, and perhaps I can add some light to it, really is the economic situation of the community in terms of dealing with ability to pay.

We're in a tough time and certainly if we have arbitrators making decisions, saying, "We'll give you a 6% wage increase," the public is going to be very upset with that type of approach because they know it's going to be passed on to the taxpayers in terms of a tax increase. But it is a fact that ability to pay is considered by arbitrators, and more so in these tough times.

All we're doing is making sure as part of the consideration—and we're not saying that this is what you have to do. All the legislation says is simply consider, and it's not exhaustive, mandatory criteria for the public sector, as in other provinces, for them to look at. What we're trying to do is what is in your sector—and I know the Steelworkers have had their ups and downs through the recessions of the 1980s, and now we're in the 1990s. When you have an arbitrator—it's not an arbitrator, because you're not subject to that—but when you have an employer who says to you, "We have an ability-to-pay problem," you say, "Open the books, let's have a look and let's see what we can do to work things out."

When I talked to the CAW representative the other day, he said: "Why don't you do that? Why don't you get together with the unions and start doing productivity bargaining and start doing the things that we do in the private sector?" Do you share that view that we can't shield the public sector from the fiscal realities and we have to bring in a reasonable approach for the type of problem we have? We have to provide the services with less money. That's the reality of the 1990s. Do you share that approach in terms of bargaining in the public sector like you do in the private sector?

**Mr Adamczyk:** In the public sector a lot of our brothers and sisters have—first of all, we can tell the employer to put his cards on the table. We can strike. Public service employees cannot. The way it is now in the public service, as I understand it, and I haven't negotiated any contracts in the public service sector, an arbitrator can take a look at what the going rate is, what the settlements are. Now he's going to be, in our view, hamstrung. His hands are going to be tied by the employer who is going to be able to argue, "This is all I can pay."

**Mr Tascona:** No. That's not the case.

**Mr Adamczyk:** Wait a minute. When we're bargaining with employers, the only time employers will open up their books is if they want concessions, and that's the



only time that we'll even consider a concessionary proposal from employers, if they open up their books and we in fact see that they're in dire straits. We have done that from time to time. What the government should be doing is talking to their bargaining units, not just dictating to them, because in our view, what my experience is, the only time employers usually want to come and talk to us about working together is when they're in a bucket of shit.

This union, our union, we've always believed in good times and bad times in consultation and cooperation. But we also have no problem with confrontation if need be. But during the life of the agreement—because after you've negotiated a collective agreement, that's not the end of it. Agreements end but relationships continue. I think the way this government is going, you are creating a very, very adversarial relationship in the province of Ontario, not just between your employees but within the citizens of this province.

1000

**The Chair:** Sorry, Mr Tascona, we've come to the end of the government's time. From the opposition caucus, Mr Phillips.

**Mr Phillips:** Just on the same point, because I think we should call, as they say, a spade a spade. These directioned arbitrators exist nowhere else. This is unprecedented. It just simply exists nowhere else. This is designed to dramatically restrict settlements with our firefighters, our police, our hospital workers, our teachers.

The evidence of that is that the government has told the money markets, "Don't worry; we have this mechanism in place that will offset the impact of the reduction in grants." This is a major change in the bargaining relationship between the groups—our firefighters, our police, all the ones that essentially do not have the right to strike—and this is, without doubt, the Harris wage control bill. We can't gloss over that and say, "Well, this is just a minor thing." This is a huge change—there is no doubt of that—and the government views this as a big part of its restraint program.

I guess my point that I'd like you to comment on is this: Imagine for a moment that we were changing the bargaining relationship between your union and your employers to this degree, and we were going to essentially allow the employer to, in a very major way, dictate the final settlement, regardless of collective bargaining, and imagine that your contract was expiring, as the public sector contract is expiring, shortly. Can you give us any indication of how the Steelworkers might respond if the government was trying to pass legislation that would affect the Steelworkers to the extent that the government is trying to pass legislation that will affect all of these groups?

**Mr Adamczyk:** Well, I'm not the district director or the international president, but I can tell you, in my view, there would probably be a response like this province has never seen if they ever tried to do that. The thing is, it would be a further attempt, in our view, to try to weaken—and let's face it: This government is after the unions. No two ways about it, we're a target. There are no two ways that there would be very strong reaction if the government ever tried to impose this type of legisla-

tion on the private sector—on the Steelworkers, auto workers and other private sector unions—like they're trying to do with the public service.

I'll tell you something; that's the concern that I would have. They're trying to do it to my brothers and sisters in the public sector. Who's next? Us. So our public service brothers and sisters are not alone in this fight.

**Mr Agostino:** Just to follow up on that, I agree fully with you. I think public enemy number one of this government are the needy and the poor in this province and that public enemy number two of this government are the unions and the people they represent in this province. This bill goes back to them.

I'm going to go back to the wage control aspect, because my friend Mr Tascona talked about ability to pay. Ability to pay is going to be a determining factor in this arbitration, and very clearly the way it is going to be done is this: They are significantly reducing transfer payments to municipalities, to school boards, to hospitals, to universities. Therefore, when the arbitrator then looks at the ability-to-pay factor, with this massive 30% to 40% reduction to municipalities, in effect the ability to pay is not there. You are then in effect imposing wage controls indirectly through your cut and then putting ability to pay to be such a major factor in the arbitration process.

I think it's a very simple concept that the bond market understands, which they talk about, which was a tradeoff that this government has made with the bond markets and the big money people in this province. Very clearly that ability-to-pay provision, highlighted as it is, is going to drive totally the bargaining process at the local-municipal level with hospitals, school boards and universities.

They're not going to have the ability to pay, so in effect what you're doing is imposing wage controls and you should call it that. You're the government. Say to the people of this province, "Yes, we're going to impose wage controls on all public sector workers and we're going to take away your right to bargain and to negotiate as you have in the past because we're going to cut off the funding to the body that pays you."

**Mr Silipo:** Thank you very much for the presentation. At the end of your presentation you referred to the tax cut and said, "If it's ever going to happen, don't give it to me." It's interesting that we've heard that kind of approach a number of times. I remember a gentleman in Toronto who came before us who described himself as a typical Tory supporter and said to us, and to the government in particular, "You're putting poor people's money in my pocket and I don't want it."

That seems to me to be something that we are hearing more and more as people are realizing, as you pointed out, that what we are seeing here is a government that is giving itself unprecedented powers to change the very fabric of the kind of society that we've built up.

I guess my question to you is, do you see that realization developing among your members and among the public that you serve and that you work with?

**Mr Adamczyk:** The realization that?

**Mr Silipo:** That in fact that's what this government is all about, that that is what they're doing; and what they are doing, I would suggest, goes far beyond what people



understood they would do when they elected them on June 8.

**Mr Adamczyk:** Let me tell you, our members knew what the government was up to with the introduction of and the approach that they used to Bill 7. I've never seen anything be rammed through like that. The way they introduced this particular bill in the House, when I understand everybody was in a lockup—what a sneaky way to do that. Jeez, give me a break.

**Mr Christopherson:** First of all, I realize this is government legislation, but I always find it fascinating to hear the Liberals talking about the unions now being a target. Yet, when they ran in the campaign, they had decided that Bill 40 was going to be a target for them too. However, they're not the target today.

**Mr Phillips:** Oh, the social contract.

*Interjections.*

**The Chair:** Order.

**Mr Christopherson:** I want to focus on the idea of targets and special-interest labels that this government has effectively tried to place on anybody who's active in our community. If you're an anti-poverty activist, if you're an environmentalist, a feminist, a non-profit housing activist, if you're a labour leader, you're labelled as "special-interest" and therefore your role in democracy is illegitimate. Unfortunately, they've been very successful at doing that. At the end of the day, when you do that with all the different parts that make up a pluralistic democracy, you only end up with the very wealthy, who quite frankly are a special-interest group as much as anybody else.

I want to ask you, Bryan: If you could speak to all the workers of Hamilton, union and non-union, why would you say to them that they should pay attention to what's happening with Bill 26 and how it's going to affect their lives? In other words, break out of the label that they're trying to place on you and talk directly to the workers, union and non-union, if you could.

**Mr Adamczyk:** This bill is going to further erode our rights, our quality of life in this community and right across the province.

Let me make a point about the labour movement. We are a social movement. We're not just interested in what happens at the bargaining table. We're not just interested in what happens to our members. We're involved in this community and other communities right across the province. Any society that does not have a strong labour movement doesn't have good social programs and in fact is a very uncaring society. Everybody, organized and non-organized workers, should be looking at this bill closely because of the negative impact it's going to have on us as a society in this province and in this community.

Not only that; at least our members have a voice through their union. The people who are unorganized don't. At least we can have the resources to pull together, to be here. There are a lot of poor people and groups that don't have the resources to be here, and we're going to be working along with them. We've started, and not just with this government; we've been doing it here in this area probably for the last 10, 15, maybe 20 years, and we're going to be mobilizing even more. This is just the start. Look out.

**The Chair:** Thanks for coming forward and making your presentation to the committee today.

1010

## FEDERATION OF ONTARIO NATURALISTS

**The Chair:** May I please have representatives from the Federation of Ontario Naturalists come forward. Good morning, ladies and gentlemen, and thank you for coming today to appear before the standing committee on general government. You have half an hour this morning to make your presentation. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you would introduce yourselves at the beginning of the presentation for the benefit of Hansard and committee members.

**Mr John Lounds:** My name is John Lounds. I'm executive director of the Federation of Ontario Naturalists.

**Ms Marion Taylor:** Marion Taylor. I work for the Federation of Ontario Naturalists.

**Mrs Lyn MacMillan:** I'm Lyn MacMillan. I represent the MacMillan family and I also volunteer with the Federation of Ontario Naturalists and many other environmental groups.

**Mr Brian McHattie:** My name is Brian McHattie and I'm the conservation director of the Hamilton Naturalists' Club.

**Mr Lounds:** The Federation of Ontario Naturalists thanks the committee for the opportunity to appear before you today. I'm pleased that we're in the Heritage Room today because that's what we want to talk to you about: the protection of Ontario's natural heritage.

The Federation of Ontario Naturalists is a provincial conservation organization with 15,000 members and 76 affiliated clubs and interest groups across the province, from Thunder Bay to Ottawa and from Windsor to Kingston. We have Brian here from Hamilton today.

As a non-profit charitable organization, our operations are totally supported by our membership. I want to emphasize that we do not receive any provincial government funding towards our operating expenses. As owners of nearly 2,000 acres of provincially significant lands, we are custodians of the largest private nature reserve system in Ontario.

For more than 60 years we've played an important conservation advocacy role in this province and worked with every government since 1931 towards sound government policy on wildlife, parks, forestry and land use planning. Over the years we've developed a broad education program which includes our award-winning quarterly magazine, *Seasons*, our trips program and our program to provide information and teaching material directly to teachers. We also have a long history of volunteer work at all levels of government.

We feel a burden of responsibility here today because we're speaking for many individuals, small businesses and groups that were denied a place on the hearing roster. Many of those who telephoned or faxed for places immediately after the committee was set up have been unable to obtain a place at these hearings. This brief consultation time and the week that will be allocated for the amendments we believe are totally inadequate to deal with all the legitimate concerns that are being raised across Ontario.



With this background, today we want to talk about our major concerns with respect to this bill, and recommendations. I'd just like to briefly outline those first and then Marion will describe the details. While there are a number of areas in the bill that cause us concern, we've chosen to focus on the following:

Firstly, the provisions in Bill 26 that relate to municipal government decision-making that, when taken together with other proposed legislation and policies, most notably Bill 20 and the new planning policies, serve to severely restrict public access and involvement in planning the future of their communities and undermine what we believe is years of work to protect the environment. We believe that the provisions with respect to municipalities cannot and should not be considered separate and apart from the proposed changes to the Planning Act and the policies.

Secondly, the provisions in this bill with respect to setting up a separate account within the consolidated revenue fund under the Game and Fish Act: The structure of this bill, with its emphasis on health and municipal matters, is allowing other amendments to sneak through because so little time is available for discussion. But this section needs attention. It's obvious that very little thought has been given to these provisions and it's very difficult to tell how they will improve public policy or the delivery of service.

As well, and as legislators you should pay attention to this, in this section no provisions are included to review the expenditures of this account, either through the estimates process or public accounts, and the requirements for an annual report do not specify time frames or which aspects of the account's financial affairs are to be reported on. The report could be so general as to be useless in public policy development and the protection of Ontario's wildlife. These provisions need to be amended.

Finally, we want to talk about the provisions in the bill allowing the sale of lands by conservation authorities, as they do not consider the fact that many of these lands have been obtained with the financial assistance of private sector donors. Over 40,000 acres of land have been acquired with the assistance of private contributions in this province. These provisions in the act will place in jeopardy the private sector contributions already made towards conservation lands held by conservation authorities and will place future donations and contributions at risk. This bill will discourage ongoing private sector financial contributions in support of public policy goals in conservation. We find it odd that a government claiming it wishes to encourage such contributions in conservation would draft a bill that will do the exact opposite with respect to private contributions.

I'd like to turn it over to Marion Taylor now, who will talk about the specific recommendations we have on these sections.

**Ms Taylor:** Thanks to the committee for the opportunity to appear.

We're concentrating on several areas, as John has pointed out. We don't see in this bill in those areas that John mentioned any cost saving to the province. In fact, what we see is a concentration of power at the cabinet

level and also at the municipal level, a disappearance of public consultation as a means of doing business and a closing off of public access to process. We also see, as John has mentioned, that thousands of acres of conservation land in this province are being put at risk, a lot of that done through the private work of individuals or the private generosity of individuals. More will be said about that later.

At the municipal level, I think what we're facing here is, whether through intent or bad planning, a fragmentation of the planning process. You've got Bill 20 standing out there as the amendments to the Planning Act and you have a whole section here on municipal restructuring and a number of other aspects of municipal government which are equally as important and fit in with Bill 20. You also have the policy statement which was issued last week, which is an undermining of all the environmental framework which has been carefully set up. It didn't come out of a vacuum. It's part of the history of this province and it comes out of necessity and need, not out of the forehead of Zeus. It does have a history.

I'd like to call your attention in the municipal section to the fact that in Bill 20 we have a possible exemption from approvals of official plans and official plan amendments, and we turn around in Bill 26 and find that local municipalities, which are now exempt possibly from provincial scrutiny, are going to have all kinds of powers, including ability to levy all kinds of fees for services and also the ability to get rid of agencies, such as the conservation authority. This doesn't smack to me of any cost saving for this province and in fact looks as though we're headed towards an incredible muddle in planning.

The policy statements also—the statement, it's called now, undermines a lot of the environmental guidelines which were put in place over the last 15 or 20 years. One of the things which it will affect directly is the wetlands. The wetlands line has been moved so that 40% of the province which was covered by the wetlands policy statement is no longer covered. If any of you are in the Muskokas or cottage country, you're not covered any longer.

The other thing that is happening is public access is being cut off to the process. There will be no appeal to restructuring. There will be no appeal to privatization, or no going out to the public for privatization of utilities. So coupled with this loss of an environmental framework, you have tremendous powers concentrated in the hands of municipalities and of the government at the cabinet level. Now, the beneficiaries here, as far as one can make out, are the development industry. I cannot see any other beneficiary here.

Our recommendations concerning the municipal structure are the following:

Remove the amendments to the Municipal Act and other related statutes from the omnibus bill so that they can be considered in conjunction with Bill 20, the policy statement and proposed further amendments to the Municipal Act. The scope of the proposed changes to the powers of local municipalities and the changes to the land use planning process require further study by all affected parties. Most members of the general public have so far had no access to this bill. It is irresponsible to proceed



with measures whose costs and consequences have been so little examined.

Moving on to the conservation authorities: This is an area that has been almost totally ignored both by the presentations, as far as one can determine, to the committee and in the press. I'd like again to emphasize that 300,000 acres of conservation land are owned and managed by conservation authorities in this province. The conservation authorities were born in 1946. That's 50 years of history that is in danger of being wiped out by this bill, because what Bill 26 does is deliver the conservation authorities, bound hand and foot, to the municipalities. Fewer than half the participating municipalities can dissolve them.

1020

The second thing is that the province has directed that the interests of the conservation authorities should concentrate on flood-control structures and on provincially significant lands. Immediately you're looking at a situation in which all the floodplain management that the conservation authorities have built up and which is the envy of other jurisdictions is not covered unless those flood and fill regulations are embedded in an official plan.

I'm from Holland township in Grey county, and the local politicians up there said, "Think of the Thornbury dam, and think of Grey Sauble Conservation Authority going out of business." Then the minister is empowered to say, "Okay, Thornbury, you fix that." Thornbury can't; they don't have the resources. So the minister then can say to the Ministry of Natural Resources, "You take it on." The Ministry of Natural Resources does that, and then it is entitled to divide the cost among participating municipalities. The local politician says to me, "I don't want to be around when they get the bill." So that's what this is going to mean.

What this means for conservation generally is that CAs may cease to exist at the whim of a municipality. Individual municipalities may also decide to unilaterally withhold levies, and they've been encouraged to do this by the Ministry of Natural Resources in a directive issued in December 1995. This is not about cost cutting; this is about turf warfare.

If dissolution occurs, no process has been detailed in the bill for handling the assets, including this incredibly valuable land. The land will pass by default to municipalities, many of which have never handled conservation lands on their own and have no expertise or resources to manage them properly. In the event of dissolution, the whole flood control system in this province is in jeopardy.

I was told that there are only two rivers in Ontario, the Thames and the Grand, which have structures which can control flooding; the rest depend on management, on care of wetlands, on care of floodplain lands. Some of you may be too young to remember Hurricane Hazel; those of us who do remember what happened to structures on the floodplains.

Our recommendations, then, are that ideally the conservation authority section—

**Mr Sampson:** I'm out there every day.

**Mr Agostino:** I'm too young.

**Ms Taylor:** I'm not too young, so I'm giving my—just a little side thing. I went to the dentist yesterday, and he was drilling away, and he said, "My God, this is copper"—something or other—"That hasn't been used since the 1950s." I said, "You don't even have to look at my—it's like an archeological excavation; you know my age."

Recommendations: Ideally, I think, the conservation authority section should be removed from Bill 26. It's unconscionable, really, to bury the provisions for gutting an historic provincial institution in a bill like this. As well, the true costs of weakening CAs, turning 300,000 acres, potentially, of valuable land loose and passing on new responsibilities to municipalities, has yet to be properly assessed.

Failing the removal of this section from the bill, we have the following recommendations:

(1) The prime thing here is that you've got 40,000 acres of land purchased through the nature conservancy. We have a letter from the Richard Ivey Foundation, from Richard Ivey. They've given more than \$1.5 million to purchase conservation authority lands. You've got private donors—and we have one of them here today—who have given time and effort and money because they believe that these lands are important for the future of Ontario. What kind of a message are you sending? I think you need to think about it.

Anyway, Bill 26 should clearly prohibit the sale of any land which has received private funding. Anything less constitutes a breach of public trust and sends a message that this government places little value on private enterprise, in the wide sense of that word.

(2) Bill 26 should require a clear majority of participating municipalities to vote for dissolution.

I just have one more quick thing to say, and that is on the Game and Fish Act. Again, you've heard this ad nauseam: We're not against cost cutting. We don't see costs being saved; we see increased cost to the province in those two areas. But in the Game and Fish Act, we are in favour of the setting aside of funds. However, notice where they're coming from. They're coming from, at the moment, hunting and fishing dues and fines.

This province is moving towards ecosystem management. We don't want to see a return to game management so we want provisions built into this section to make sure that ecosystem management is guaranteed and also to allow the committee that's being set up to be balanced with all interests and to look at other areas where they may get some income. Non-hunting and non-fishing users of crown land are an obvious part of it, and other areas.

I think with that, I will now turn it over to Lyn MacMillan, who has spent a good part of her life working for conservation in a number of ways.

**Mrs MacMillan:** Sorry, I only have nine copies, but perhaps you can share them. My name is Lyn MacMillan. I represent the MacMillan family. We live on a 160-acre farm in Maple in the city of Vaughan. The farm has been in our family since 1934.

We are environmentalists and have endeavoured to protect the 60 acres that are not presently being farmed by managing the woodlots, wetlands, and by planting over 10,000 trees along the windbreaks and the stream valleys of the Don River as it flows through our land.



I have worked as a volunteer with the Federation of Ontario Naturalists and other environmental groups for the protection of the Niagara Escarpment and the Oak Ridges moraine for many years. The natural heritage of this province is very dear to my heart, indeed. My main concern today is the fate of the conservation authorities, which Marion has so clearly outlined, if Bill 26 is not amended.

We all understand that deep cuts are necessary all across the province, if our deficit is to be reduced. This government has already cut back the conservation authorities budget by 70%. That's a very, very strong cut, even higher than most cuts. Those of us who remember the hard years of the war—now I'm really going back—will know what it's like to face austerity; we certainly faced it then. We also know that it brings out the very best in people. Volunteerism was never stronger than during those times; also people took on new and demanding jobs that they never thought of doing in peacetime. The same urgency exists now, and people will rally to achieve our financial balance if you give them a chance.

Do not get rid of such historically important agencies as the conservation authorities. Let them regroup. Let them find other solutions to their budgetary problems. We all know the old saying, "Necessity is the mother of invention." Well, leave the conservation authorities alone. Leave them to work with the public and try and come up with a new look that will fulfil their mandate and make them leaner and better. Yes, over the years they have spent money; so has everybody.

Over the years, good and strong partnerships have been forged between conservation authorities and the public, as Marion mentioned. For example, the Nature Conservancy of Canada, a non-government charitable organization, has raised funds from the public, such as ourselves, to buy environmentally sensitive land that is in danger of being lost, and then in many instances has turned this land over to the conservation authorities for management. Thousands of acres have been saved in this way through partnership agreements, through initiatives of fund-raising. I can't stress this partnership aspect enough. We're not looking to the government to do everything. We've never looked to the government to do everything.

Then there's the Toronto Sportsmen's Show. It was started by one of Ontario's unsung heroes of conservation, Mr Kortright, and the profits of this show are turned over each year to conservation. So thanks to a generous donation from the Sportsmen's show, we have the remarkable Kortright centre, which is now managed by the MTRCA, the Metro Toronto and Region Conservation Authority, in Kleinburg. We are supporters and family members of this area. We've given substantial funding to them and it's introduced marvellous delights to two generations of children and to dozens of overseas visitors, who are always amazed and envious of our rich wildlife, biodiversity, and the way in which we protect our rivers and streams.

There are also individual donors like the late Mrs Glassco, who gave her valuable property to the Metro region conservation authority for the protection of part of the Humber Valley and for the enjoyment of a very grateful public.

Do not jeopardize this close working arrangement by phasing out the conservation authorities. You will lose not only some of this hard-earned and well-protected land but the public's loyal support, which is very valuable to you in these critical times.

Bill 26 proposes that the authorities can be dissolved by a vote of the participating municipalities. Provincial appointees will not be allowed to vote. I call this stacking the cards. The very people who would vote for the authorities to be continued will be barred from voting, the very people who would be eager to try and take new approaches to fund-raising will be dropped, and the public-spirited people who bring independence and strength to the authorities are to be pushed aside and discarded. That seems incredible to me.

1030

The excellent work that the Progressive Conservative Party has done in this field of conservation is being thrown away. Schedule M, part III, is not going to improve the conservation authorities, nor give them much of a chance to prove their worth. Bill 26 is certainly not carrying on the traditionally important contribution that this party has made in the protection of the Niagara Escarpment. I only have to remind you that it was the Conservative Party who put that through. It was the Conservative Party who allocated \$25 million to the—

**Mr Phillips:** Progressive Conservatives.

**Mrs MacMillan:** Progressive; sorry.

**Mr Phillips:** Not the Reform.

**Mrs MacMillan:** I know, Progressive Conservatives. Excuse me. Well, if they're progressive, they shouldn't be doing this.

Anyway, they were the ones who gave \$25 million towards the purchase of the land which has gone to the conservation authorities and is now being managed. We have one of the best provincial parks and conservation authority systems in the world and you have made tremendous contributions to them.

Now, um—you've put me off with that joke.

**Mr Phillips:** Sorry.

**Mrs MacMillan:** This special and unique part of Ontario certainly didn't get to be designated a world biosphere reserve through actions such as you are now proposing. We're world famous along the escarpment, and all those conservation authorities who are part of it.

It has been precisely the hard work of the Progressive Conservative Party that has given us one of the best methods of environmental protection of any country in the world. Our rivers, our streams, our wetlands and our conservation parks are the joy and pride of all of us who are lucky to be living in this magnificent province. Stand by these commitments and these achievements. Don't allow them to be gutted.

No conservation authority can survive the proposals of Bill 26. They can be disbanded without any public consultation. They will be getting less provincial money, less municipal money, no provincial appointees. There will be indiscriminate selling off of carefully acquired lands, as Marion has explained. I don't want to see my tax dollars nor the money that we have willingly donated towards the protection of our environment go down the drain.



I ask that every single thing be done to retain the conservation authorities as they are today. Yes, they will have to retrench and they will have to cut their coats according to their cloth, but give them the chance to work out these problems and let them and not the municipalities be allowed to remain as the worthy stewards of our river valleys, wetlands, woodlots and recreational lands for the enjoyment of this generation and generations to come.

I do appreciate the opportunity of speaking before this committee and thank you very much for your attention.

**Ms Taylor:** We have one more person to speak. We have a local club represented here very ably by the Hamilton Naturalists.

**Mr McHattie:** My name is Brian McHattie and I appreciate the opportunity to speak this morning to the committee. I'm speaking from the perspective of a local organization, the Hamilton Naturalists' Club, founded in 1919 in this city. We've been around for a long time and work very closely with the conservation authorities. Obviously I'm speaking quickly here, as we have approximately two minutes or less, I guess, to get this across to you this morning, but I am speaking to the issue of the conservation authorities as well.

We see the conservation authority as both a grass-roots partner and a sister organization in this city, and the other conservation authorities that we work with in the surrounding area. I'd like to touch on two particular things that our relationship has brought to the conservation authority and that we've worked together on.

The first one is that we've contributed over \$100,000 over the last number of years to protecting natural areas in Hamilton-Wentworth. We've given that money to the conservation authority here in Hamilton to allow them to purchase wetlands and woodlots, protect the Dundas Valley, the Beverly Swamp, local areas. I can say that the Hamilton Naturalists' Club is not going to agree to the dissolution of any of those lands because we've contributed funds to those lands and we have a strong stake in how those lands are distributed or dealt with in the future.

The second thing is, we've just completed a \$275,000 natural areas inventory of all the natural areas in Hamilton-Wentworth. That was led by the Hamilton Naturalists' Club, and \$30,000 came from the Hamilton conservation authority and funds from other conservation authorities as well. Without those funds leveraging other funds from the conservation authority and from the province and private organizations, the inventory would not have happened. The conservation authority also assisted in providing office space and technical guidance as well. Those are the intangibles that, if this bill goes through, may not be there for us in the future. An innovative partnership like this, where most of the work and most of the money is raised by a private organization, the Hamilton Naturalists' Club in this case, will not occur without a strong conservation authority movement.

I'd like to finish off by saying I'm also a Hamilton area business person as well. I just started a new company in the last six months or so that is based on eco-tourism and strengthening the local economy based on sustainable development.

Hamilton, as you may know, and certainly Dominic and the people on this side of the table and on that side of the table probably know as well, is building a new economy based on sustainable development. We've just completed fairly recently, through the guidance of Mr Don Ross, a local councillor, the task force on sustainable development, which produced something called Vision 2020, and Vision 2020 is our plan for the next 25 years or so to bring this region into a very strong economic, social and environmental position. That is based at least in part on protecting our natural areas.

The business that I have brings people from around the world to the Hamilton area to see the escarpment, to see the wetlands, to see the Dundas Valley, and if those areas are either no longer there or are managed improperly because of the lack of funds and support for the conservation authorities, my business and the future of Vision 2020 will not occur in this area, in Hamilton-Wentworth.

I want to finish by saying there are a number of options available. As has been indicated, the conservation authorities are very effective organizations and are leveraging funds from a variety of areas, a number of options available. Money is available. It's a question of priorities. We have local priorities of expressways, of protecting natural areas and various issues like that, and I won't go into that, but the money is available and the opportunities are there.

I ask this committee to consider and pass the comments on to protecting the conservation authorities and altering this bill to reflect those views.

**Mr Lounds:** I'd just like to finish by thanking the committee for hearing us today. I'd like to leave a couple of thoughts with you. Between 1970 and 1990, provincial funding to conservation authorities declined by 55%. To contrast, the provincial funding to municipalities over the same period rose by 190%.

We're not saying don't rethink how we go about conservation. We're just saying let's think first before we move quickly on this. Thanks very much.

**The Chair:** Thank you for a very thorough presentation. Unfortunately, we've virtually no time left for questions or responses from either of the caucuses, but I do want to thank all of you for coming forward and making your presentation to the committee today.

**Mr Phillips:** Can each of us have one minute to respond?

**The Chair:** Okay. Quickly, then. We'll go with the opposition first.

**Mr Phillips:** I won't abuse this. The challenge here is that I think the government struck a deal with AMO, the Association of Municipalities of Ontario, without perhaps appreciating the fallout effect of it all. You've done a very good job of indicating that. I did say that time is very short. This bill will be law virtually in two weeks. We'll do what we can to bring your concerns to the fore.

**Interjection:** That would be terrific.

**Mr Silipo:** Very briefly, I appreciate very much your presentation. If we had time, there were a couple of points I'd want to pursue, but we talked earlier this morning—my colleague Mr Christopherson raised the point—about the categorization by the government of various groups into "special interest" groups as a way of dismissing then the points that are being made.



You made some pretty substantial points to us about the importance of conservation authorities, and part of what we've seen is that the haste with which this government has wanted to move on this bill has certainly caused, I think, some major changes and some major endangerment to the whole conservation movement to be part of this bill. Hopefully they will listen to some of the specific suggestions you've made, which we will pursue in terms of removing some of these sections and dealing with them in a more appropriate time frame.

**Mr Sampson:** I want to thank you very much for a very excellent presentation. I don't know three of the members at the table, but I certainly know indirectly one of the members at the table, and I can certainly say that we are listening to the points that have been raised with respect to conservation authorities and how we deal with the fact that we have to cut expenditures but also come to realize that what we've established in this province needs to be protected somehow.

Your suggestions with respect to changes that deal with conservation authorities in the bill I think are very valid, and we'll consider those. We have indeed heard them before from other deputants who have talked to the subject, and I'm encouraged to hear that the authorities are prepared to deal with the fiscal reality. Your mapping of the expenditures over the last while vis-à-vis municipal expenditures is certainly on target, should I say, but we all have to find ways to spend the money smarter and wiser, yet still somehow try to protect what we hold near and dear in this province. I think our natural heritage is indeed that. So we will be listening.

**The Chair:** Thank you once again for coming forward today and making your presentation.

1040

#### HAMILTON AND DISTRICT CHAMBER OF COMMERCE

**The Chair:** May I please have representatives from the Hamilton and District Chamber of Commerce come forward. Good morning and welcome to the standing committee on general government. You have 30 minutes today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for comments and questions from the three caucuses. I'd appreciate it if you'd introduce yourselves for the benefit of committee members and Hansard at the start of your presentation.

**Mr Lee Kirkby:** Thank you, Mr Chairman, and I will certainly attempt to make sure that what I have to say is short enough that I have the opportunity to respond to any questions my comments may raise. For those members of the committee who are not from Hamilton, and I recognize many of the faces around the table, and some of those faces from outside the community that we've come to know well over the last few years, we welcome you to Hamilton. As a chamber representative it would be completely inappropriate for me to come here and not offer the hospitality of our community for as long as you are able to stay. I'd encourage you to come back in December—or now November—for the Grey Cup.

My name is Lee Kirkby and I'm the executive director of the Hamilton and District Chamber of Commerce. We

appreciate the opportunity to make a presentation on Bill 26. It is not my intention to present a detailed analysis of specific features or sections of the act, but to make primarily some general comments about the intent of the legislation as outlined in the explanatory note to the bill.

For the benefit of the committee and the record, a brief introduction to the chamber is in order. In doing so, it is hoped that some better understanding of the nature of the changes which have occurred in our community will become evident as well.

The chamber currently represents approximately 875 organizations in the greater Hamilton area. These organizations employ in excess of 50,000 persons in our community. The chamber is the largest broad-based, general business organization in the community, drawing its support from all businesses of all types, from every sector and industry.

In the past year our membership has grown by almost 20%, and fully 70% of this growth has been in organizations of less than three employees. It is this statistic which reflects a significant part of the importance of the legislative initiative we address today. These small, entrepreneurial, independent businesses are the lifeblood of our new economy. Growing some of them into medium-sized associate groups and organizations is the challenge for us all in the next decade. While greater Hamilton has been highly successful in retaining much of its corporate business base and is home to some of Canada's most successful new enterprises, enterprises which have grown to become national and international successes, our future lies in nurturing even more of these organisations which can bring new wealth into our community.

The chamber supports the purpose of Bill 26, which is to achieve fiscal savings and support the growth of economic prosperity through public sector restructuring, streamlining and efficiency in the delivery of needed public services. It is clear that the restructuring of government service is long overdue. Significant operational changes which have been undertaken by private sector enterprises which were directly impacted by market forces have been under way in our community for over 15 years. Today we are seeing the positive results of these changes as our businesses and industries are expanding their global markets and bringing new wealth to our community. Recently, one of our local economic development officials was quoted as saying that a few years ago he could count the number of companies in greater Hamilton which were involved in export markets very easily. It numbered in the range of 30 to 40 companies. Today he says the number is in the hundreds: large and small, dealing in markets in every country in the world, involving tens of thousands of our citizens and bringing to our community the benefits of selling and trading with an international market.

These traded operations can only be successful in focusing their attention on their customers if they can count on a fiscally responsible and efficient infrastructure at home. One of the key elements of this stability is for our international debt loads to be brought into control and reduced. Recently, the chief operating officer of an international bank told a chamber meeting that in his



estimate, Canada as a nation pays about a 2% interest premium on its international debt. Think what this figure means when you total the accumulated international borrowing of all sectors in our economy, combined with what is borrowed offshore by our federal government, our provincial government, our municipalities, hydro companies and private businesses. Multiply this number, which will be in the multiple billions each year, by that 2% interest premium. The number which results is staggering.

But that is not the total impact. To continue to attract domestic capital, we have to pay a premium to those persons who lend their money domestically as well. The premium may not be as high, but it is there and will add up to untold millions more.

If that 2% premium is applied to the \$10 billion annual deficit of the Ontario government, it amounts to \$200 million per year. If applied to the total Ontario debt, which is now running about \$100 billion, it is a premium cost of about \$2 billion per year. This is the amount we are paying higher than what we should have to pay were our fiscal and our political houses in order. It underlines dramatically how important the steps anticipated by the purpose of this bill are to the long-term wellbeing of our province. These premium interest dollars could be much better applied to providing meaningful employment and investment in the growth of our economy and in services to our citizens.

The chamber submits that it is the success of our province in becoming a welcoming place for investment, internal and external, the growth of our traded activities, both traditional and in those industries and services which are finding new demands in world markets, and the climate which is created to encourage people to apply their talents and entrepreneurial spirit which will provide the long-term means to maintain and enhance our quality of life and the services we have come to know.

Our governments at all levels are faced with the difficult decisions that many of us in the private sector have already faced. To be able to maintain those key and vital activities which can only be provided by government, it will be necessary to shed some of those activities which have less purpose or which could be provided by other means. Choices must be made, and they are and will continue to be difficult.

We support the principle of Bill 26 because it provides some of the flexibility and mechanisms required for the provincial government and municipal governments to commence this restructuring effort, improve the financial record of the province and signal to those who desire to take up the challenge that there are new opportunities available within our province for the expansion of economic activity.

The bill is very broad in the amendments and legislation it addresses. There are a few areas of the bill we would like to make comment upon other than the general comments outlined above.

Changes proposed for the Municipal Act and other statutes related to municipalities, specifically municipal fees or charges: Schedule M of Bill 26 provides amendments to the Ontario Municipal Act and various other statutes which propose to give municipalities and local

boards broad new powers to impose fees or charges for any services or activities they provide. It also proposes the addition of a new part in the Municipal Act that establishes new general licensing powers for municipalities.

We support the goal of restructuring and in general support fees for service, as they are more directly identifiable by users with the services provided. They reflect a more accurate market understanding of the value of the service to the consumer. We have concern, however, that the application of this provision as currently worded will see municipalities imposing fees that are more in the form of a general tax and not a fee for service, as we would generally interpret the term. This application could see the impact of the efforts to reduce the cost of government to society in general diminished, as hard-pressed municipalities, instead of reducing the activities they undertake and controlling their costs, apply these new powers to seek new revenue sources for general purposes instead.

When coupled with the new provisions for licensing of businesses, we are concerned that these new powers could be used to create a new form of business tax rather than for the recovery of costs incurred in providing services rendered. We would recommend that the wording be clarified to ensure that the provisions provide for the legitimate recovery of charges for services directly rendered by the municipalities or other boards.

We express further concern that since government entities are essentially an unregulated monopoly for many of the service areas they undertake, some form of independent appeal mechanism must be provided so that fees or charges levied which are seen to be unfair or unjust may be challenged through a process independent of the agency imposing the fee.

The general licensing powers, part XVII.1: This new provision which grants general licensing powers to municipalities has the potential to add significant cost and complexity to business operations in the province. It has the potential to create barriers to business mobility, trade and competition within municipalities, as currently worded. We would caution strongly that if the wording is not changed, provisions be included that would ensure that municipalities could not unduly restrict business from operating across municipal boundaries. The outcome of the provisions, as they currently stand in Bill 26, could be a significant negative impact upon the ability of businesses to function and grow within the province.

#### 1050

Health services restructuring, amendments to the Independent Health Facilities Act: We are not presenting to the committee on the 19th in Hamilton, so we thought it was appropriate to make some comment on the health provisions. Part IV of schedule F of Bill 26 contains amendments concerning the use of personal medical information. The proposed amendment grants the minister with new powers to collect, use and disclose personal information for specified purposes. While the goal outlined for these provisions—to reduce fraud within the health care system and to assist in ensuring that only those services which are needed are provided by the system—is laudable and important, we express concern that the current proposals do not provide a well-enough



defined standard for such intervention, given the highly sensitive nature of such records and the common understanding of privacy of personal medical records.

Amendments to various statutes with regard to interest arbitration: The amendments proposed for the several pieces of legislation included in this section of the act are generally proposed to provide for the consideration of the economic circumstances existent for the employer, the municipality or the province at the time an arbitration decision or award is considered. These provisions direct the board of arbitration to give consideration to the underlying economic components of the employer's situation, the broader community which provides the funding for the employer's operation, and the impacts upon the service levels which might be a result of an arbitration award.

We submit that these matters are very legitimate factors which should properly be part of an arbitration review, and support the provisions of the amendments as outlined.

The Hamilton and District Chamber of Commerce supports the goal which underlies the amendments outlined in Bill 26. We believe that all levels of government and the broader public sector in the province must be given the tools to restructure and adapt their operations to reflect the needs and realities of today's society.

This requires dramatic change in many areas and this bill has the potential to provide some of the tools to accomplish this objective. Through the public hearings process being undertaken, those areas of the bill which may be better worded or where better mechanisms can be provided to accomplish the end which is sought can be identified and modifications can be made before the bill and accompanying regulations are finalized.

We caution, however, that the government must be careful, in creating these new powers, that the appropriate checks and balances are in place to ensure that the goals outlined in the bill are really met. Where others submit methods which differ from those anticipated in the bill, we urge the government and the committee to give them serious consideration so that the best possible combination of solutions in the circumstances can be achieved.

One final word—you never get out of Hamilton without there being one final word. Communities can provide their own methods of solution. The greater Hamilton community has a long-standing history of cooperative problem-solving, as we have faced difficult problems. Our health care sector has been a pioneer in the rationalization of services in many ways. Just recently we have learned of proposals to merge our two largest hospital administrations.

Other sectors of our public service have looked at ways to increase cross-jurisdictional cooperation for service gains and cost containment. As the result of the last municipal election, wherein the regional electorate voted for a review of local government structures, our constituent assembly is now hard at work seeking to develop a community consensus over how we wish to be governed in the future.

Through a long and arduous process involving a broad coalition of stakeholders—and you've heard Brian refer to this—both in Vision 2020 and also in the review of the

water quality problems in our harbour, we've developed plans to solve some of our own problems, not on our own but with cooperation and support. This complex process is now becoming one of our community's competitive strengths. It took the collective power of many diverse interests to begin this rejuvenation in our harbour.

There's still a lot more that can be done. However, we would caution that solutions which may have application in some areas of the province may not be needed nor apply to every other area. Locally developed solutions to some of the problems we face may be better, faster and more effective than a made-in-Ontario solution wherein one size fits all. We urge all who are involved in these difficult decisions to be cautious about losing the momentum and resolve that these long-standing community-based mechanisms exhibit.

We appreciate the opportunity to appear, and I'm available to try to answer questions.

**Mr Christopherson:** Lee, thanks very much for your presentation. You say that when you come into Hamilton, you have to expect that there will be a final word. What they don't know is that we all fight to have that final word. But they'll realize that by the end of the day.

**Mr Agostino:** Every day.

**Mr Christopherson:** Every day. My comments would focus around the fact that it would seem, for the first time in the history of Ontario, we have a government that has decided to govern only for those they consider to be its supporters. For those of us in the opposition, there really seems to be an "us and them" mentality; there are friends and enemies. Clearly, they're doing what they can to support their friends and they're going after their enemies, as we see it.

You spoke in your brief, particularly on the last page, to focus on our community, about the benefits we've had from the cooperation in this community. That's been one of our strengths, given the pressures on our community, that people work together. An awful lot of those partners right now, Lee, feel like they're under attack. You just heard from the environmental movement, the labour movement; there are people in the health community, in the social services community. All the things that are the strengths of Hamilton in terms of working together to create a made-in-Hamilton solution, many of them—the majority, in my opinion—feel like they're under attack.

Do you not worry that this feeling of being under attack by the provincial government, with a municipal government that doesn't have the means to support them, is going to send a lot of those groups off on their own to retrench and not feel comfortable coming in under partnerships and thereby denying our community one of the strongest suits we have?

**Mr Kirkby:** It's difficult to comment in some ways, but I'll try. As you know, I attempt to stay out of party politics, but I could suggest to you that there have been times in the past when the sector I primarily represent has felt like it has been under attack by the governments that represent their interests as well. We have found that we have had to try to respond to that attack, but also to recognize that at times we have to reach out to those people who may be supporting the alternative point of view.



My only comment would be that I encourage those people who have that perception that says they are the victims—and there's always this term, that there's a winner and a loser—that sometimes the long-term results being sought cause actions to be taken that in the short run appear to be attempting to create victims. My sense for some of those groups is that it is a need to come to the table. They have solutions, and sometimes their solutions will be better than the one put forward.

The most important part is that action is necessary and we have to move ahead. If we think about what happened in this community, we've all been through the downsizing of our industrial sector. We've seen the situation. We've all worn it. We've participated with those committees that have helped to try to find new jobs and new training and new opportunities for people who could no longer be employed in that area, in order to protect the long-term strength and the opportunity to have them here. I think that's what we're doing now with some of our government structures.

**Mrs Lillian Ross (Hamilton West):** Lee, good morning. It's a pleasure to see you again, and I thank you very much for coming forward and making a presentation.

In campaigning and knocking on doors, I was told constantly that we had to change the way we did things. This government is committed to change. I agree with you that there is some pain out there because of the steps that must be taken. Would you agree that with the debt load we have, keeping in mind that we spend \$1 million an hour more than we take in, government must move and move quickly to ensure that we provide a future for the residents of Ontario?

**Mr Kirkby:** I would certainly agree with that. It would be very inappropriate for me to come and not say that as an organization we have strongly supported governments reducing their debt loads. One of the things that is very difficult to deal with is that we're talking about getting deficits down; we're not talking about getting to the point where we start to repay the debt load we're already carrying, and that's one of the most fundamental problems we have.

1100

I've used this analogy before: It's like me going out and being able to convince the bank that I should have enough money to buy the biggest house in town no matter what my income is. As long as they'll continue to loan me enough money the year after to be able to pay the mortgage and the operating costs, I can have that house. But some day, somebody's going to recognize that I don't have the income to service that debt.

My sense is that the 2% premium that, I was told by this bank official, who has only been in Canada for a year, we pay for our money is what the international community is charging us for living above our means. I guess that's the difficulty we have. I think the thing we need to recognize is that it does get shared across the table and we all have to wear part of it.

**Mr Ed Doyle (Wentworth East):** Lee, you mentioned how we had gone through such restructuring right here in Hamilton. Over the past 10, 15 years Hamilton was one of the areas that was hardest hit in the province, yet right

now we stand in a position where we're at about 4.5% or 5% unemployment. We're one of the lowest in the country. To what do you attribute this? Do you attribute this to the initiative of the people of Hamilton? We're in pretty good shape. You mentioned yourself in your brief that you could count the number of companies that were involved in exports, and now they're in the hundreds. Would you agree that some of the things we're attempting to do will help to implement this kind of action?

**Mr Kirkby:** I think the answer to that is yes. That's the reason why we have supported the general purpose of the bill. The answer to the question of why our unemployment rate is substantially lower than it was, and in fact leading the country other than the city of Regina—I don't really know why they suddenly jumped ahead of us—the answer is because people are finding ways to put themselves to work. People are becoming earners of an income, not necessarily employed. I think there's a difference between those two terms, and we need to understand what that means in the new economy.

You come out of an industry that has probably been, for the longest of times, the forerunner of the virtual industry. A lot of people freelance in that industry and work for multiple organizations, but they earn a good living, and they are able to earn a living and pay their way and provide opportunity within the community. That's what we see happening. When I talk about those companies of one to three being a growth in our organization, many of those organizations are trading internationally. They're businesses of one and two and three people.

**The Chair:** Thank you, Mr Kirkby. I apologize for interrupting, but we have to move to the opposition time.

**Mr Phillips:** It's always curious to me whether organizations know what they're supporting when they say they support something. You probably heard the group that was concerned about the environment just before you. Your problem is, I think—maybe I'm misinterpreting it, but the chambers line up in support of a bill that contains some really strange provisions which I'm not sure the chamber members perhaps fully appreciate your supporting. I wouldn't mind a response to that. Are you supporting the provisions that the environmentalists just before you were concerned about?

**Mr Kirkby:** I think I was very careful and very specific in the comment I made: We support the purpose of the bill and the intent of the bill. We offered some specific comments that we were able to identify that we think could improve the bill and suggested there may be instances where other parties will be coming before this committee and will come to the government with other solutions that they think should be incorporated in the bill. They're the experts in their fields.

We are quite prepared to suggest that we have not done a substantive, detailed analysis of every clause within this bill and every act that is affected by this bill to be able to come up with the perfect set of words that is going to guarantee that the absolute, perfect result comes out. So I think I'm being very careful and very specific in the terms that I'm saying: We are supporting the intent and the direction that the bill is taking to provide the flexibility for some steps to be taken.



The conservation authority locally is a member of our chamber, a strong supporter, and we support many of the activities it is involved in. It's one of those partners we've worked with. So where they can come forward and offer suggestions that say, "We think there's a concern here that should be addressed," I would encourage the committee to give that concern a reasonable ear.

I guess that goes back to that other comment I made earlier, that there are difficult choices to be made, and that is why we have the process we have before us today.

**Mr Phillips:** Does the chamber resent having to support just one bill when there may be many provisions in there that the chamber would have trouble with, but because you like some provisions, you have to support all of the bill? We will have one vote on this, Lee: "Are you for or against the bill?"

Just on the fee thing for a moment, you know the intent is to provide virtually unlimited flexibility for municipalities to impose fees. That's what the government says the intent is, and as you point out, you remove all of the opportunities to appeal that. You can't appeal to the OMB; where there used to be a referendum, you can no longer have the referendum, or you can bypass that by bylaw, and it may even be in the form of direct taxes. In other words, we've now had at least four municipalities say they look forward to this because it gives them the potential to introduce a gas tax.

If the bill is not amended to provide what you want, which is an opportunity for some appeal mechanism and a prohibition against these broad-scale, non-user-related taxes like a gas tax, would the chamber still be in support of the bill?

**Mr Kirkby:** I don't think we have looked at the bill in terms of saying it's a choice between rejecting it on the provision of one alteration or one recommendation, and I think that's one of the difficulties with any kind of legislation. I can't think of a piece of legislation that I have been asked to comment upon or to carry the comments of the chamber on in the seven years that I've served at the chamber that I would suggest we would support every provision of it. I would think that's one of the dilemmas of dealing with legislation, that in most instances you deal with compromise and you deal with a situation that says you have to weigh the merits both ways.

I can't tell you that we would withdraw our support based upon changes, because we also recognize that we have a second kick at the can on some of those provisions because we have a pretty good working relationship with our local municipalities and we would certainly be at the table dealing at that level, saying, "Guys, be careful of what you do and understand what the consequences of your actions are." We've been very successful in the last while doing that.

**The Chair:** Thank you, Mr Kirkby. I apologize for interrupting but we've come to the end of your time. I want to thank you for coming today and making your presentation to the committee.

#### TAXPAYERS COALITION BURLINGTON

**The Chair:** May I please have a representative from the Taxpayers Coalition Burlington come forward. Good

morning, ladies and gentlemen, and thank you for coming to appear before our committee today. You have half an hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from all three caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation for the benefit of committee members and Hansard.

**Mr Frank Gue:** Thank you, Mr Chairman. My name is Frank Gue and I am education chair of the Burlington taxpayers' coalition. With me this morning are Barb Newham, a director of the coalition, and Hugh Doull, who is president of the Burlington taxpayers' coalition.

By way of preamble, our organization, Taxpayers Coalition Burlington Inc, was founded in 1991. We're active in city, school board and region. Our membership list has several hundred names. Our mission is quite simple: Get value, which is to say quality, for money in tax expenditures and identify and elect people who will do this. We have strongly influenced the sudden levelling of expenditures beginning in 1991, which resulted, for instance, in the cessation of the average 18%-compounded-per-year climb in education costs. We represent Halton as well as Burlington, where it's necessary, for example, at school board and region.

Some general comments before we plow into the bill itself: We want accountability for spending at every level of government. For any activity, we desperately need to see a specific objective with measurable scheduled results from specific persons or departments. Market value assessment is an example of diffusion where this does not exist. It's impossible to identify exactly who's responsible, yet the operation rolls expensively onward. Another example is the reluctance of some politicians to hold referenda. So we ask you to rethink any shifting of decision-making to any who cannot be held accountable, particularly to unelected bureaucrats, and to avoid obscuring public view of who is responsible. We seem to see a little of that in the bill.

Also, please note that while taxes have been going steadily up, taxpayers' disposable income has been going steadily down. It is now about where it was in 1980. This has been largely because special-interests have acquired enough power to confiscate part of the living standards earned by others. We see Bill 26 as part of the mechanism for halting this trend.

1110

To get to the bill, for convenience we're using the paragraph numbers in the summary rather than the tremendous bill itself. Our health care comments, we recognize, properly belong in the other hearings, but they're brief and we make them here since they may not be made elsewhere.

Page 9, paragraph G.4: We question deregulating the prices of patent-protected drugs. With no competition, the possibility of developing unreasonably high drug prices increases. It happened in 1988; it'll happen again if we're not careful.

TCB is neither for nor against a two-tier health system. However, the medical monopoly should be broken up in terms fair to both doctors and the public. The German opt-in, opt-out system is worth studying. There are



undoubtedly any number of others. See the green attachment to your packet for a Fraser Institute article on that subject—very illuminating.

Page 12, paragraph M.1: Regional government can be expensive and unresponsive. Example: Ours is planning a water pipeline that will create a huge debt, just unthinkable in the mid-1990s. It'll raise taxes for existing taxpayers, increase congestion and pollution and not improve quality of life. Private partnering will merely make the extra costs to existing taxpayers harder to identify. Historically, the private partner gets any profit, but the taxpayer takes the risk. We are told the pipeline is essential to support GTA growth, but recall that Haldimand-Norfolk was estimated in 1974 to have a 1986 population many times what it is even now, but was saddled with a regional structure nearly as elaborate as Hamilton-Wentworth's.

We need other solutions. Example: London, UK, is a huge city that has no regional government or anything like it. Is that a model to study? If not, what is? Similarly, as mentioned before, MVA is a disaster. It's expensive, it's unfair, it's unstable, with powerful lobbies ramming it through against furious citizen opposition. Again, what are the objective, non-political, non-ideological alternatives? Bill 26, please help.

Page 12, paragraph M.3: Police services boards are insufficiently fiscally accountable. That day has passed. City councils cannot overrule their requisitions for funds. A recent editorial from the *Globe and Mail*, the ivory-coloured attachment, says well what needs saying about this.

Page 12, paragraph M.4: Privatization, partnering and user-pay must demonstrably reduce total expenditures as attested by a independent auditor. "Total" means both government expenditures on the formerly public service—hence "directly" reducing taxes; it's got to be traceable by the auditor—and the fresh private expenditure on, let's say, garbage pickup or something similar. Where the service remains public, user-pay must yield a genuine total cost saving.

What we're getting here is that we have to avoid having user-pay employed merely to reduce the cost pressures on government rather than genuinely to reduce total taxpayers' costs. The hazards of this are well documented in an *Economist* article entitled "Cooking the Books," which is the pink attachment to your packet. The Brits have had years of experience in this and they find—they think—that they are cooking their own books.

Page 12, paragraph M.5: Grants should be eliminated, period. Most folks think a grant is free. They calculate cost benefits, omitting grants from the costs or adding them to the revenues, overlooking that grants are also taxes, even where they come from lotteries. Grants, first of all, escape parliamentary scrutiny; second, easily serve political ends; third, often enable unfair competition; fourth, may finance projects better left undone—if you want details on that, I can give you one or two; and fifth, diminish accountability of the recipients.

Grants create confusion in project financing. Governments may sell to citizens a proposal for, let's say, a recreation centre but will publish only the capital cost. Capital may come from development charges, grants and

debentures, while operating costs, maintenance, depreciation etc are ignored. We taxpayers never know what added taxes the politicians are committing us to, and I might comment, they don't know either.

All taxing authorities, including the province, must declare a one-number, present-value cost of any project, showing all future costs, environmental included, properly discounted. This is an old and respected method of evaluating major projects. Ignoring it has contributed heavily to our debt problems. A frequent objection is that it's impossible to estimate the future cost, let's say, of paving a wetland or maintaining a certain structure. Well, if an important cost can't be estimated, the project mustn't proceed, and that's that.

Page 12, paragraph M.6: TCB applauds environmental preservation. However, we must not partially expropriate private lands. A government action to protect a wetland, say, or to rezone or to set up a landfill may dramatically drop the market price of a property. The owner has been partially expropriated without compensation and is unable to afford either to sell or to hold. The citizenry owes him something fair, a phrase we'll leave others to define and to quantify. TCB further is concerned that the scope of conservation authorities not be so diminished that our irreplaceable natural environments are paved over. There is room for greater efficiency certainly, but accompanied by increased effectiveness.

Page 13, paragraph O.1: We applaud the use of a sinking fund to cover closure costs but it should not be optional. It should be extended to all potentially damaging operations, for example, electroplating or tire storage. One simple regulation should suffice, specifically that the owner leave the site in the same condition, above and below ground, with particular attention to aquifers, as he found it. Before beginning, such an industry must post a bond sufficient to defray the cost of the closure. It would remain the owner's property, not the government's property, in escrow, accumulating interest until required.

In that connection we urge the minister to earmark revenues. Allowing receipts merely to enter into consolidated revenues has the effect that any prudent householder or factory manager could predict: Government overspends without really having much idea of how it happened, where it happened or how to control it. Just look at any auditor's report—provincial, federal—any auditor's report.

For example, at the time of the tire fire, the considerable revenue that had been collected under the new tire tax had of course been spent. There was no fund available from which to pay the costs. Taxpayers Coalition wants to know and wants you to know that the gasoline taxes go to roadbuilding or whatever is related, that road tolls pay for that road and so on. Without earmarking, we do not believe that this can be done, and history supports us.

Missing from the packet, and I hope not out of place here, is costs and structures of school boards: TCB urges the minister not to support elimination of school boards or make them a committee of a city council etc. This would not address the fundamental problems which are in the Education Act itself, the unions and the provincial school administrations, the various regional school



administrations. The problem isn't in the boards and the money won't be saved by eliminating boards. The education system of Ontario is in deep trouble, only one aspect of which is its basic model of governance, which cannot do the job according to law that it is supposed to do.

We ask the committee to note recent history, such as the 89% plus constant dollars—that's deflated dollars—increase in education costs in Halton in a recent 20-year period during which student population fell 13% and quality of graduates remained below international levels. This happened with no legislative approval at any level, down to the school board itself when it is too late. This is taxation without representation, which often pays for failed education experiments unhindered by any taxpayer input whatever.

Some form of competition with or within public education would be one means of improving this. The public school system is a textbook case of the high-cost, low-quality results of a monopoly. A Fraser Institute article on this subject is the pink attachment. School boards need to be empowered, not marginalized. They report to the owners of the system, the taxpayers, but you would never know.

1120

Concerning downloading, TCB strongly urges the minister to ensure that the act make it very clear that downloading is not acceptable. We recognize the political risks in actually forbidding downloading—you can get into the American merry-go-round—but we feel that there must be strong moral suasion and other forces that the province can bring to bear to prevent it.

If the act does not do this, TCB can assure you that most local school boards, and certainly Halton's, will be forced by their administrations to raise taxes, and that this would happen exactly the same if school administrations were appended to a city council. Imposing a sudden jump in this huge tax—17% in Hamilton-Wentworth, we hear—would invite a tax strike, agitation for which TCB has spent four years trying to damp down.

We urge the government not to give the slightest consideration to a poll tax. Remember Maggie Thatcher.

Closing comments:

A note on language: The word "allow" is often used, as in "allows hospitals to eliminate duplication." Perhaps the proper word is "requires." This denies the cynical critic the chance to accuse the government of euphemizing an unpleasant, unpalatable fact, and alerts the enterprises affected that these measures will not be optional.

A note on regulation: Words that Taxpayers Coalition dreads, "may make regulations," appear repeatedly in the bill. We must point out that every regulation requires civil staff to administer it, police, inspectors and so forth to enforce it and court and citizens' time to judge the inevitable appeals from it. This is a classic case of cost creep. Such costs have a ratchet effect; they can fairly easily rise but are so diffused through the system that they are nearly impossible to dislodge. Further, they give civil staff too much of a free hand to impose their non-accountable will upon the economy. We ask the government to find every occurrence of "may make regulations"

and do one of two things: either find a way to eliminate the phrase or find elsewhere in the laws of Ontario an important regulation which can be rescinded. Frank Sheehan, where are you when we need you?

A note on citizen input: Health Minister Jim Wilson said recently that, "This government is not going to give special treatment to people who shout the loudest," and that, "The system will not be reformed by inviting special interests for their input, adding up their requests and greasing their wheels, with the squeakiest getting the most." We applaud this declaration but must point out that many people are not shouting; they are expressing in these rooms important views that have value and must be heard. We applaud the establishment of these hearings and strongly recommend that the government very widely publicize changes to the bill which will result from them. Its credibility will rise remarkably when this is done.

Reform is effective when it is done with, not to, people. The government must implement these reforms with people, not solely by using power. Taxpayers Coalition is very concerned about the powers that will be granted under Bill 26. We understand the need for prompt action; however, it may be that too much power will be granted to both politicians and bureaucrats.

It has been said that the test of good legislation is what can be done with it, not by men of goodwill but of evil intent. Apply this test by asking, if another political party were to request these powers, would the government support it? We suggest that, without diluting the excellent fundamental purposes of the bill, its provisions be re-read in this light and language and powers revised if you feel it necessary.

This makes Bill 26 a delicate balance between the urgent need for drastic action and an equally important need to avoid imposition of permanent undemocratic powers, which again would be very difficult to dislodge. Not to try to strike this vital balance is quite unforgivable, and not to succeed, in the light of the results of June 8, is unacceptable.

Ladies and gentlemen, we wish you good luck and wisdom in your deliberations. Thank you for your attention. We will answer any questions that we can.

**The Vice-Chair (Mr Joseph N. Tascona):** Thank you very much for your presentation. At this time each party has a chance to comment on your submission, and we'll start off with the government party. Each party has about four minutes.

**Mr Terence H. Young (Halton Centre):** Thanks for an excellent and helpful presentation. I want to assure you that the government is listening. By the time these hearings are over we will have heard, I think, over 360 delegations and we will have travelled to, including Toronto, 12 cities. We will be acting where we think there is a concern, and some themes have begun to develop already.

The previous delegation described a 2% interest premium we're paying as Canadians on government debt to foreign lenders. We know we're paying about 17 cents of every Ontario tax dollar on interest on debt, about 33 cents of every federal tax dollar on interest on debt, and if you could please comment on what will happen in Ontario if we don't act to address these problems.



**Mr Gue:** You mean, if we don't act to address the 17% or the 2%, which is—

**Mr Young:** If we don't act to address the problems of too much government and too high taxes—

**Mr Gue:** Oh, gracious.

**Mr Young:** —and if we don't restructure. With particular emphasis, what will happen to people who are really in need whom we really want to help if we don't address these problems?

**Mr Gue:** It's easy to visualize. Many things that we take for granted will simply stop. Some Wednesday morning there will be no more whatever—shelters for some kind of social distress or welfare or something. There simply will not be the money available. It's a choice between everybody sharing some of the pain and many, many people getting no share at all, none whatever. It's almost exactly analogous to the situation when an industry must downsize. It's heart-breaking to let good people go, but the choice is between letting some good people go and closing down the business.

**Mr Young:** Would it address your concerns on the powers in the bill if there were a sunset clause which said these powers disappear in two or three or four or five years?

**Mr Gue:** That would be an important contribution.

**Mr Phillips:** Just a temporary dictatorship.

**Mr Gue:** Benevolent.

**The Vice-Chair:** We have two minutes for the government. Ms Ross, please.

**Mrs Ross:** Mr Gue, you made a comment here that, with the reshifting and refocusing of government in the restructuring, you feel it's important that any decision-making be put in the hands of those people who are held accountable. Would you not agree that restructuring municipal governments and giving more tools for municipal governments to do their job effectively is doing just that?

**Mr Gue:** If I understand the bill, it does address that to an extent. The thing that concerns us, as I mentioned in the presentation, is that in parallel with that and possibly, if we're not careful, opposing that, would appear to be powers granted to folk in Toronto who do not see as closely as the local folk what the local problems are.

So I've got sort of a yes-and-no answer there. I'm not trying to evade your issue, MPP Ross, but the immediate answer to your question is, "Yes, that's good. Let's by all means have local people spend local money." The precaution is, "Let's not have Toronto politicians and bureaucrats ruling arbitrarily without consultation on something happening in Parry Sound or Burlington which they don't understand."

**Mrs Ross:** I would just like to comment that what I see happening here is exactly what you hope is happening, in that local and regional governments are given the authority and the ability to set the direction that their region, their city, their municipality wants to go, and not provincial politicians. In fact that is exactly what's happening here.

**Mr Gue:** That's the part we would say yes to.

**Mr Young:** Frank, we know that when the Liberals were in power they cut funding to education and when the NDP were in power they cut funding to municipal-

ities. We're doing what we have to do to restructure Ontario and we're taking a lot of heat. Do you have any comments on that?

**Mr Gue:** Terence, that's either a huge subject or very, very compact. The big answer is, we've got to do something. We just cannot, as many people seem to feel, stagger along, hoping that things will be all right by the morning, that this is a bad dream and we'll wake up. That isn't going to happen. We do have to do something. Whether the restructuring—

**The Vice-Chair:** Sorry, time's up for the governing party. It's up to the opposition party if they want you to continue the answer.

1130

**Mr Agostino:** There are a number of points you raise, sir, and a number of concerns you've outlined in the bill. You talked about downloading and the effect that will have. What you have seen through the actions to date has been the most massive downloading to local government in the history of this province in regard to the extent and the nature of the cuts; at the same time the most massive shift, proposed in this bill, that we have seen in the history of this province to give municipalities new power to impose fees and taxes.

I can tell you that municipal politicians are not bad people—I happen to have been one of them at one time—but the reality is that there is going to be a direct impact here on local taxpayers. The deputy mayor of London said he welcomed such powers as the ability to dissolve local boards and commissions, to introduce new fees and user taxes and direct taxes, and of course urged the government to pass the bill right away because they want to be able to do that to offset the \$15 million, for example, that they have lost in municipal funding.

I really see this as a shell game. It is not a tradeoff; it is simply a shell game. You take that money and you cut it from municipalities and you force the municipalities to be the bad guys who now have to impose user fees on garbage pickup and extensive fees on licensing a business and direct taxes as head taxes and gasoline taxes. Does that fit into your organization's goals and does that part of the bill, particularly to give the municipalities this new-found user fee power and this open-ended ability to tax, concern you and your organization?

**Mr Gue:** Let me fast-rewind for a minute, Mr Agostino. Maybe I could dramatize this a little bit by saying there hasn't been a penny of downloading yet. Downloading will happen only as and when local administrations and politicians decide that they can't hack this, that there's going to have to be an increase in some local tax or there's going to have to be a user-pay. That is when the downloading will occur, and some of it will occur.

The hope and expectation we have—and it's backed up, as any economist will testify—is that the closer to the user of the service and the supplier of the money that the money is spent, the better it will be spent. I don't want to wander too far from the topic in this room, but all you have to do is note what billions—and I mean "billions"—are dished out by the federal government on very questionable grants and projects and so forth to understand just how bad it can get when the user is not involved in the use of the tax money.



Let's narrow in from the global to the narrow. Let's think about user-pay garbage collection. Let me assure you, absolutely assure you, that if user-pay for garbage collection were instituted, the amount of garbage collected would drop by somewhere between 25% and 50% in the first year. That is the sort of thing, where downloading happens—and it will; we recognize that—that we want to see taxpayers storming school board meetings and stomping in and out of city council and making the people who are making those decisions understand what's happening to them in their homes.

**The Vice-Chair:** We're out of time for the opposition party. The NDP, Mr Silipo.

**Mr Silipo:** I just want to pursue actually this question of downloading, because as I look at the numbers from the Ministry of Municipal Affairs and Housing in the area of the Halton region and the local municipalities, there's upwards of over \$10 million in cuts in grants for the municipal level to those combined municipalities. That's just for this year alone, and a similar amount is likely for next year according to the announcement in November.

In terms of how you see municipalities looking at this and dealing with that reality and the powers that are in this bill for a whole array of not just user fees, but even a variety of taxes as we see them, you don't have a concern—you have some concern because you obviously expressed it, but I guess I'd like to hear a little bit more from you about your concern around how municipalities are going to deal with that, particularly in terms of the time crunch they're in.

One of your sister associations, for example, made the point that perhaps one of the things the government ought to consider is, yes, proceeding in terms of the cuts, but giving municipalities more time to be able to adjust to those things and at the same time restricting and clarifying the use some of these new user fees and taxing powers so that we don't simply see one level of government reducing its funding problem by shifting it to another level for them to be able to tax the one taxpayer we all agree exists at the end of the day. What would be any comment you might have on that?

**Mr Gue:** Let me use as an example an arena with which you are much more familiar and I am much more familiar than the municipal one, which is the school systems. Halton has a \$280-million to \$285-million school budget. Intelligent and aggressive cost reduction, as done by the industries that support that operation, could reduce that cost by \$25 million to \$50 million in a period of two to three years. I'm sure that similar—not the same—things could be done at the municipal level. Because I'm more familiar with education, I am probably somewhat cynically in expectation that they could do better than the municipalities, but the same principles apply and that opens up a whole—I'd need a morning, which I have given to school boards and to city councils, on productivity improvement in the private sector.

The hidden assumption in a great deal of what you say, Mr Silipo, is that you have to do all of this good stuff. You don't have to do all of this good stuff.

**Mr Silipo:** That's fine. I hear what you're saying. Even accepting that point, that you don't have to do—

**The Vice-Chair:** Unfortunately, we're out of time, Mr Silipo, at this point. Thanks very much for your presentation.

## ONTARIO PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Vice-Chair:** At this time we have the Ontario Professional Fire Fighters Association. I believe Mr Lee is the president. Who else is here?

**Mr Jim Lee:** Patrick De Fazio will be presenting on behalf of the firefighters this morning.

**The Vice-Chair:** Thanks very much. Nice to see you again. You can proceed at any time, Mr De Fazio.

**Mr Patrick De Fazio:** I list my credentials there for you to see. I'm an advocate at boards of arbitration; a nominee to boards of arbitration; president emeritus of the Ontario Professional Fire Fighters Association. I'm also editor of the *Intrepid/Fire Line* publication, which is the official voice of the Ontario Professional Fire Fighters Association. I was a professional firefighter for 36 years at the municipal level and retired in 1993. I'm also a general advocate in various areas.

You have a presentation before you which contains two exhibits. Tab A, which you have before you, would be a run-up of today's firefighter. It simply lines up what firefighters do for a living on a day-to-day basis. In tab B you would have police and fire comparability, which I'll talk to in the presentation of my brief.

What you notice in front of you here today are some Second World War veteran's medals. I said to a number of veterans that I would make some comments with respect to them and how they're forgotten about in this whole scenario with respect to certain changes in schedule M. Before I left I spoke to a number of veterans and I was given the privilege and the honour of bringing one set of medals from one veteran who asked that he not be forgotten in this whole particular conversation with respect to some of the benefits contained in collective agreements.

1140

I'll continue on with my presentation. First of all, I'd like to make a statement. Let me say at the outset that as a citizen of this great province I am deeply disappointed at the actions of this government and its desire to stifle honest disagreement with its aims and objectives. The clandestine fashion in which the omnibus legislation, Bill 26, was presented and the blatant attempt to prevent consultation on its contents is unprecedented in my recollection of governments in the province of Ontario.

It is a risky comment to make at the beginning of a presentation when one is hoping for change; however, the democratic process has to be defended and maintained, regardless of any other goal that may be desired. An election of a majority government does not bring with it the right to run roughshod over the collective voice of a group or individual people.

Broken promise: It is interesting to point out what was written to me as editor of our magazine, the *Intrepid*, by MPP Mike Harris just prior to the election.

Question: "If elected Premier...will you, or will you not attempt to make amendments to the Fire Departments Act for the province of Ontario?"



Answer: "The PC Party of Ontario has serious concerns about some of the changes that are contemplated with respect to the Fire Departments Act. No changes will be made under a Harris government until such time as your members have been thoroughly consulted. And, we will insist that all changes be fully costed...both from the point of view of workers, as well as management."

I was the author of that letter that was sent to Mr Harris and I was the recipient of that answer. This information was disseminated to our membership through our network of district meetings, seminars and mail to 53 associations comprised of over 4,000 members. It was also presented to our convention in June 1995, just prior to the election.

The committee is obviously aware of the fact that there were no consultations concerning proposed changes to the act. There is no question in the minds of our members that this broken promise directly impacts on the integrity of this government. A method of salvaging this broken promise is to excise those proposed amendments to the Fire Departments Act from Bill 26 and have them dealt with by the appropriate stakeholders and the office of the Solicitor General for the province of Ontario.

Part 1, schedule M, power to municipalities: The Fire Departments Act for the province of Ontario, in my respectful view, is the finest piece of labour legislation affecting professional firefighters that you will find anywhere in North America. It has served the test of time and has provided citizens of this great province with uninterrupted fire and emergency service. Citizens can go to bed at night knowing full well that firefighters will respond quickly and efficiently, on a 24-hour operational basis, to any type of crisis.

In addition to the foregoing, you will find the following statement in the constitution of the Ontario Professional Fire Fighters Association, in article 2, section 2, "Prohibition of Strikes": "No member of this association shall strike because we are required as firefighters to protect the lives and property of the citizens of the community."

Also contained in our constitution is a code of ethics of which the committee should be fully apprised:

"As a firefighter and member of the Ontario Professional Fire Fighters Association my fundamental duty is to serve humanity; to safeguard and preserve life and property against the elements of fire and disaster; and maintain a proficiency in the art and science of fire engineering.

"I will uphold the standards of my profession, continually search for new and improved methods and disseminate and share my knowledge and skills with my contemporaries and descendants.

"I will never allow my personal feelings, nor danger to self to deter me from my responsibilities as a firefighter.

"I will at all times respect the property and rights of all individuals, the laws of my community and my country, and the chosen way of life of my fellow citizens.

"I recognize the badge of my office as a symbol of public faith, and I accept it as a public trust to be held so long as I am true to the ethics of the fire service. I will constantly strive to achieve these objectives and ideals,

dedicating myself before God to my chosen profession, saving of life, fire prevention and fire suppression.

"As a member of the Ontario Professional Fire Fighters Association, I accept this self-imposed and self-enforced obligation as my personal responsibility."

In retrospect, I believe that the legislators, when putting together the Fire Departments Act for the province of Ontario, felt the need to protect our commitment by inserting language that would serve to protect us in many ways. I refer you to one section in particular, and that is section 7 which reads as follows:

"7(1) Every agreement under section 5 and every decision or award under section 6 shall be in writing and is binding upon the municipality and the full-time firefighters.

"(2) Every agreement, decision or award remains in effect until the end of the year in which it comes into effect and thereafter remains in effect until replaced by a new agreement, decision or award."

A letter that I wrote under date of December 18 to MPP Gary Guzzo, Ottawa-Rideau, will set out my concerns very clearly:

"Re: omnibus legislation

"There are certain matters arising out of this proposed legislation that are extremely worrisome and causing great anxiety to our members as well as their families.

"Let me be more specific in one area. If for example, the fire service was regionalized in this area the region would become the employer. What happens to the collective agreement covering those employees who work for Ottawa, Nepean, and any other department who may form part of the region? It is being said that because the legislation is silent with respect to 'successor rights' that the existing collective agreement would not flow to the new employer.

"I do not believe that it was the government's intent to strip professional firefighters of their collective agreements that have been in place for well over 50 years. These agreements have been negotiated without any interruption of fire service to the citizens in this area, and for that matter in the province of Ontario.

"I believe deeply that you also would be of the view that professional firefighters should not be subjected to this type of treatment. We have never done anything that would warrant this type of unprecedented impact on collective agreements.

"In short, we need your help in this connection. I would hope that you can arrange a meeting with me and possibly others as quickly as possible."

That meeting has not been effected as of this date.

It is difficult, if not impossible, for an individual to understand with great certainty the entire ramifications of the schedule M amendments to the Municipal Act. It is even more arduous to contemplate the impact the minister will have when he sets forth regulations that will supplement the thrust of the proposed amendments in section M.

What I do know is that under the present proposals there is the unfettered ability to literally destroy the collective agreements of thousands of professional firefighters in this province. This can be done as a result of groups of professional firefighters moving to a new



employer by way of regionalization or privatization. In startling terms, it means that the collective agreement does not flow to the new employer.

This has to be a mistake. This is not democracy. This is subjective in every sense of the word. This cannot be the view of this government. There has to be some phantom scribe with an ulterior motive who would want to hurt professional firefighters and their families in such a spiteful way. Who in their right mind would want to tear apart in such a devastating way collective agreements that have taken well over 50 years to put together, with most of them by way of negotiation?

We have to be protected by successor rights. The agreement has to follow to the new employer. This committee has to prepare an amendment to this proposed legislation that would protect the professional firefighters and their collective agreements in the province of Ontario. The fire marshal for the province of Ontario, in his report to the Solicitor General, endorsed the concept of successor rights for professional firefighters in the province of Ontario.

Does it make any sense to any member of this committee, regardless of your politics, to allow a regional employer to have such extraordinary power? A new employer could say to a collective group of professional firefighters, "You do not have a contract and you will have to start negotiating from scratch." Absolutely absurd. And I am sure the committee can envision the problems that will ensue from this type of proposal.

The first convention of this organization was held in the city of Toronto on August 25 and 26, 1920. It might be interesting at this point to tell you who the officers of our association were at that particular time: president, P. Herd from Toronto; secretary-treasurer, D.H. Lamb from Toronto; first vice-president, S.B. Blacker from Ottawa; second vice-president, J. Hotrum from Hamilton. Of course, all these people are deceased.

1150

All of the foregoing firefighters and others were pioneers who started one of the greatest organizations in the fire service, an organization that has always had great respect for the institution of government and has never, as I understand the history of our organization, caused this government or any other government any problem. We have gone about our business utilizing the laws as they unfolded before us. If we had any concern, it was brought before the appropriate authorities and dealt with through consultation and negotiation.

As I proceeded through the history of our organization, I found a statement which sets out the attitude our organization had for the government of the day:

"Going into the 1940s, during the war years, the legislation committee recommended, and the body adopted, their report, that due to the present conditions of war that we do not antagonize our political friends by using too much pressure for legislation."

While we are talking about war, let me remind the committee in a very respectful way that our collective agreements contain retirees' benefits. Some of our retired people are veterans of the Second World War. These veterans fought to give us freedom, and freedom of expression; the right, without fear, to say to this govern-

ment that in your haste to give municipalities unprecedented power, you forgot about our current people and our retired people, you forgot about our veterans. These people are extremely worried about benefits extended to them in collective agreements that impact on their very existence.

I ask this committee to think long and hard about what can happen to people if collective agreements are not protected by successor rights.

Part 2, schedule Q, proposed amendments to the Fire Departments Act: I will not read the criteria; you're very familiar with the criteria that will be put before the arbitrator if accepted. Before we even begin to examine the proposed criteria, a number of questions have to be asked. What do the criteria mean?

When you attempt to get answers from the government or the legal people representing the government, they are not in concert with each other. As a matter of fact, an astonishing answer received is that eventually the criteria will have to be tested by way of judicial review to really understand what each specific piece of criteria does in fact mean. This, of course, is extremely costly to all associations representing professional firefighters. It is no big deal for municipalities, as they are not, nor ever were, overly concerned about the cost associated with judicial review. Private legal opinions also vary as to what in fact the criteria purport to say to an interest arbitration board. If the persons responsible for putting the criteria together are in doubt as to what they have authored, then God help us at an arbitration board.

For example, are the criteria totally inclusive? Are these five criteria the only touchstone upon which the arbitration board may enter, or can other criteria be considered as well? Again, the answers vary depending upon whom you consult.

At interest boards of arbitration spanning a great number of years, professional firefighters have been compared with police officers. This is a major comparable used at all interest boards of arbitration and accepted by just about every arbitrator that sat on an arbitration interest board as it affected professional firefighters. The principle of parity between police and fire is well established and entrenched in the multitude of awards that have been handed down over the years. In the proposed criteria, it makes no mention of the police comparison. Does this mean it cannot be used? No one seems to be able to answer this question.

If the criteria are all-inclusive, then they are subjective in nature and put there for the specific reason of severely restricting what evidence can be brought before an arbitration board. This is undemocratic and wrong. All evidence adduced at an arbitration board should be permitted, and the board will properly weigh this evidence before submitting an award. This is the fair and right way, the only way. To exclude any information is to destroy completely the independence of the arbitrator and the board of arbitration.

Let us think for a moment what we're doing. Would we deny any evidence before a court of law? Absolutely not. There may be some evidence that is inadmissible, but that is decided by the judge based on argument. An arbitration board is a quasi-judicial tribunal, which is not



required to follow the formal procedures of the court, but which is none the less akin to a court and whose procedures must therefore be governed by the rules of natural justice. An arbitrator must be completely unfettered. To do otherwise is to make a mockery of the arbitration system.

Let us now deal specifically with the proposed criteria.

"1. The employer's ability to pay in light of its fiscal situation."

Let me say at the beginning that the factor of the employer's ability to pay has always been taken into consideration at every board of arbitration I have ever attended. This would include as an advocate who has prepared and presented briefs to boards of arbitration on behalf of professional firefighters. This would also include sitting as a nominee on arbitration boards representing professional firefighters. It would also include sitting with respective firefighter associations at their table during a board of arbitration while I was president of the Ontario Professional Fire Fighters Association for nine years.

All in all, I would think that over my entire career I have been present and quite active at well over 100 boards of arbitration. In all of these instances the employer put forth whatever arguments they cared to submit and they were carefully considered by the arbitration board. The associations were given the same treatment. In short, both were on a level playing field. To suggest otherwise by any group is complete nonsense and an unfair attack on arbitrators and the arbitration system in the province of Ontario.

What is really meant by "in light of its fiscal situation"? Does it in fact mean that the employer can spend the public chest on whatever they deem to be a priority until the purse is exhausted and then demand from the arbitrator that their fiscal situation now requires that no compensation be awarded to the firefighters?

This, in my respectful view, is creating an uneven playing field with the ground heavily tilted in favour of the employer. This is not right. The question to me that will invariably be asked is, "If the ability to pay is always taken into consideration, then what harm is there in putting it in writing?" The answer is simple. When you the government order an independent tribunal or arbitrator to consider certain criteria, you are meddling with the very essence of the independence of the quasi-judicial system. I ask you to think about that.

"2. The extent to which services may have to be reduced, if the current funding levels are not increased."

What jumps out at your right away in this connection is that the right of council to set the level of service has been usurped by the arbitration board if this proposal is accepted. Is this by design? Is it done on the basis that from a political point of view council will be able to say: "We did not reduce the level of service. It was done by an arbitrator." A quick read will tell you that this is intended to get the heat off the elected officials if there were to be a reduction in service.

"3. The economic situation in Ontario and in the municipality."

Again, the cost of living and many other factors are put before an arbitration board by both sides. The

municipality will bring in the best of experts at considerable cost to demonstrate the economic perspective from whatever point of view they desire. This will be given the appropriate weight it deserves by the tribunal. This criterion does not have to be enshrined in legislation.

"4. A comparison, as between the employees and other comparable employees in the broader public sector, of the terms and conditions of employment and the nature of the work performed."

If the proposed criterion is all-inclusive, then this is a deliberate and blatant attempt to prevent the professional firefighter from using the police officer in the community as a comparable at a board of arbitration. I respectfully remind the committee that the principle of police and fire comparison has been accepted without exception for years at boards of arbitration. I list a few statements from different arbitrators to substantiate that point of view.

I don't intend to read all of those statements from those arbitrators. Also, as I indicated, you have an exhibit which goes back over many years establishing the principles of parity between police and fire officers in any community.

1200

I would ask you to go to page 16, the second paragraph.

The list is exhaustive and goes back over many years and clearly and concisely accepts the principle of approximate parity between police and firefighter salaries when put before a board of arbitration. The preceding criterion would seem to eliminate the using of this long-standing relationship. This is deliberate, calculated and a bald attempt to put professional firefighters at a distinct disadvantage at a board of arbitration. Hopefully, the committee can see through this charade and maintain the independence of the arbitration system without dictating any legislative criteria.

The employer's need for qualified employees: What does the foregoing criterion mean? Does it require the arbitrator to circumvent seniority systems or promotional systems in the collective agreement because the employer believes these systems do not produce qualified employees? The term is very broad and extremely vague. The employer can put any proposal they desire before an arbitration board if they believe existing qualifications for employees are deficient or lacking in any particular area. Of course, this is subject to any counter-arguments there may be from the association. The arbitration board will make a decision in this connection. That's the way the system works and has done so for many years, and without fault, I might add. Again there is no need to legislate a criterion that, in my view, is superfluous.

Obviously, someone has the ear of government concerning the arbitration system. The government unfortunately has accepted their views without any input whatsoever from the professional firefighters who operate under this system. This is totally unacceptable, and hopefully this committee will come to the conclusion that no legislative criteria are needed for an arbitration system that has served the needs of the public so well for so many years.

A freedom of association committee of the International Labour Organization concluded in 1985 that "if



arbitrators are directly appointed by a government which lays down in legislation certain criteria which arbitrators are bound to follow in the determination of awards, it is inevitable that confidence in the system will diminish."

The presentation is respectfully submitted, and I appreciate the opportunity of doing so today.

**Mr Agostino:** A number of groups requested to present today, and unfortunately these gentlemen aren't here. Those who are here listening but can't present are: from the Hamilton Professional Fire Fighters Association, Henry Watson, the president, Jeff Wheaton, the secretary, Larry Staples and Walter Baumann, members; from the Stoney Creek Professional Fire Fighters Association, Len Wise, who is the president; from the Burlington Professional Fire Fighters Association, Jim Simmons, the president; and the president of the provincial federation of Ontario firefighters, Bruce Carpenter. These gentlemen were denied the opportunity to present today.

Yesterday we were told by firefighters making presentations that they saw this as a wage control bill for firefighters through the back door. This was a way for government to control wages and salaries, benefits and so on of firefighters. We were told that yesterday in Kitchener. Would you agree with that view?

**Mr De Fazio:** I certainly do, sir.

**Mr Agostino:** How do you see this impacting on the morale of the firefighters, on the safety, obviously, and the impact it would have on the reduction in services of the citizens you work for?

**Mr De Fazio:** It will definitely impact very greatly on the morale and, by extension, that will alter the safety of the service.

**Mr Agostino:** Is there a fear that because of the powers the arbitrators will have, it could reduce firefighting levels in communities to an extent that there would be real, significant difficulties in communities being able to respond to major fires or a rash of fires, say, at the same time in a community because of reduced levels of firefighters as a result of arbitrated rulings?

**Mr De Fazio:** We have that situation in the province of Ontario right now. This new bill will only exacerbate that situation.

**Mr Christopherson:** Good to see you both again. In my time in a previous life, two and a half years working with the police community and the fire community as Solicitor General, this was the biggest issue in terms of changes to all the legislation on fire services that haven't been looked at in over 50 years. I think we made some gains. I was looking forward to taking it further, but assumed the new government would follow through with the kind of process we had.

Clearly, you've been stiffed big-time; you really have. I suspect a lot of your members looked at this kind of commitment and said, "That sounds good enough to us, and some of the other things they're saying we like, and we're going to go with them," and now you're paying a horrible price.

I would suggest to you—because there's not a lot of time for questions, I'm just going to make a statement—that you've been had for two main reasons. One is that this government talks about public safety but it always means its own narrow definition of public safety. They

do not recognize that the unions and associations and organizations that represent those individual people, whether they're police officers or firefighters or involved in emergency planning, whatever it is, those organizations play a key role. But unfortunately for you, you wear the label of "union," and therefore, you're special-interest and a lot of your rights just went out the window.

The other thing is that clearly there was a pact made with AMO and your concerns were not part of that pact either, and that's why you lose.

**Mr Sampson:** As it relates to this committee, I can assure you that you're getting a significant amount of attention in terms of presentations to this committee. If the agendas hold true for the rest of the session, we'll have met with nine of your groups. Generally speaking, they're all speaking to the same items and issues. I can assure you that this is probably above average, if I can say, to the opportunities other groups have had. We appreciate hearing these items, and we'll have to deal with them and we'll respond to them.

In terms of the mandatory criteria, the attempt of the legislation is to capture—I think I heard it in your presentation—many of the items or issues an arbitrator is considering when he or she makes a decision now. It's happening now. We should identify that and deal with that reality. We've heard from the taxpayer coalitions and a number of other groups that we have to deal with the fiscal reality. By the way, the arbitrator is not, in this legislation, empowered to reduce service; that is not the intent of the legislation and that's not the wording of the legislation.

I wanted to make sure you were aware of the fact that, certainly as it relates to this committee, your views are going to be heard for a significant amount of time and we will respond to them when it comes to the clause-by-clause review of the section.

**The Vice-Chair:** I'm sorry, that's all the time we have for this session.

**Mr Lee:** Tell me what number 2 says in the criteria. I'd be really interested to hear your interpretation of number 2.

**The Vice-Chair:** I imagine you might have another chance, Mr Lee, on that situation.

We'll recess to 1 pm.

*The subcommittee recessed from 1208 to 1302.*

#### MISSISSAUGA BOARD OF TRADE

**The Vice-Chair:** Good afternoon. Are you Charles Coles, chairman of the board?

**Mr Charles Coles:** Yes, I am.

**The Vice-Chair:** Thanks very much for coming. Can you just identify who is with you.

**Mr Coles:** Thank you, Mr Chairman. My name is Charles Coles and I'm chairman of the Mississauga Board of Trade. I was president of the board in 1995 and am now past president, or chairman of the board. With me is Clare Halldorson. Clare is the policy adviser of the board.

I'd like to thank you for this opportunity to appear before the committee. Just to let you know—Rob Sampson is already aware of this—Mississauga is a city of



540,000 people. The Mississauga Board of Trade—you've had representations from other boards of trade, I think—is a private sector organization independent of government funding and solely reliant on membership fees as our source of income. The board of trade in Mississauga represents 1,300 companies, and those companies employ approximately 60,000 people. So we regard ourself as the voice of business in Mississauga.

We thank you for the opportunity to speak to you today on Bill 26. We would first of all like to commend you on developing the procedure to make representation on the bill and would emphasize that, overall, the Mississauga Board of Trade supports the goal of Bill 26. We do understand that significant restructuring and rationalization is required in the province at the present time with the economic situation that we have, with an annual deficit that is close to \$10 billion and a debt that's quickly approaching \$100 billion. So we do support the initiative that Bill 26 is, to move quickly to address the economic issues that have to be addressed.

We support Bill 26 because it strives to provide the means for the provincial government and the municipalities to reconstitute governing structures and rationalize services. In the end we believe this will result in a stronger Ontario and we will all be better off when that takes place.

We're not going to attempt to address all areas of Bill 26 today. There are some areas that we want to emphasize or focus on. One is the Municipal Act section, another is the Corporations Tax Act section, and the Public Utilities Act section.

First of all, in the Municipal Act section we want to address subsection 220.1(2), municipal user fees and charges; subsection 220.1(3), which is the direct tax issue; subsection 220.1(9), which is appeals to the Ontario Municipal Board; and subsection 257.2(1), which is licensing.

With respect to subsection 220.1(2), which is municipal user fees and charges, this is an area which would give local boards the power to pass bylaws imposing fees or charges on services or use of property in municipalities. Currently, user fees generate approximately 18% of revenues in Ontario. While the board supports the principle of introducing a wider array of fees, we would like to see in the act more definition with respect to the types of fees or charges that would be permitted.

We endorse the policy of an expanded user-pay system. However, we would urge the government to exercise discretion regarding the less advantaged citizens in our communities and their ability to pay for fees. We do not advocate the application of user fees for public facilities such as libraries, public parks, community centres and the like to youth, seniors and lower-income individuals. We think it's important that those facilities continue to be available to the general public, and often the disadvantaged people in our society are the ones who require access to those facilities even more.

The board also doesn't agree with user fees for essential services such as fire and ambulance services.

However, the board does believe in the basic user-pay principle, as I have mentioned. We think user fees could be given consideration in such areas as art galleries,

municipal theatre tickets, refuse collection, spurious alarms from the increasing numbers of burglar alarms, and other municipal services.

What we would recommend to the government on this front is a study of the effects and implications of a user-pay system, and to provide definitions as to type of fees and charges that may be permitted under Bill 26.

With respect to the section on direct taxation, subsection 220.1(3), the bill proposes to give municipalities the right to impose fees and charges in the nature of a direct tax. We are, as the business community, very concerned about the municipalities being given the right to levy what would be regarded as direct taxes. We mention in our presentation that Peter Hogg of the Osgoode Hall Law School has written that the definition of a direct tax opens up the ability of municipalities to issue taxes such as income tax, sales taxes and gasoline taxes, and even poll taxes. We have concerns about that type of taxation being available to municipalities.

On the issue of gas taxes, I think you're probably all aware that in Mississauga we have a large transportation section who are members of our board. The trucking industry in Ontario is already at a competitive disadvantage and has a very difficult time competing with the large US trucking companies. We feel that if municipalities had the right to issue gas taxes, it would make a difficult situation even worse. So that's one example.

#### 1310

We really feel that the term "direct tax" should be removed from the legislation because it opens up too wide a venue of taxes for municipalities to levy. We basically are opposed to the broadening of the tax base to another level of government.

So our recommendation in a nutshell is to strike the "direct tax" statement from the bill and also to make an amendment that would prohibit the imposition of gas, poll, sales or income taxes by the municipalities.

Appeals to the Ontario Municipal Board, subsection 220.1(9): This section proposes to deny citizens the opportunity to appeal imposed fees or charges levied by a municipality or local board to the Ontario Municipal Board on the grounds that the fees or charges are unfair or unjust.

We feel that the principle of being able to oppose or to appeal taxes is a fundamental right and that individuals and businesses should have the right to appeal this. However, we would submit that when appeals take place, there should be a user fee associated with appeals. That is presently the case with appeals, for example, on municipal tax assessments. There's a fee associated with that. So we would recommend with respect to this area of the legislation that an appeal mechanism be made available, but there should be a nominal user fee charged for that.

Subsection 257.2(1) is the area that involves licensing, and we are very concerned about expanding the municipalities' ability to license businesses. We know that they have the right to issue licences now to some degree, but we are very strongly opposed to the expanding of their ability to license facilities.

We are also concerned about the definition of "manufacturing," because there is an exclusion given in that section of the bill to manufacturing; however, a definition



of "manufacturing" that is acceptable is a concern. Of particular concern in an industry that I work in would be the operation of quarries or concrete plants and whether that would be considered manufacturing or not, because if it was not, the licensing would be intrusive in the operation of these types of businesses in municipalities.

The particular areas of the licensing aspect that we object to are clauses (e), (f), (g), (h), (i), (j) and (k). We really feel that licensing is more regulation for business. You've heard and are aware of already the difficulties that many small businesses have with respect to bureaucracy and red tape, and we feel that by introducing further licensing provisions, this would be a problem for business: an additional regulation of business, additional red tape, additional costs. Basically, we fail to see why it's necessary in this bill. It does not improve the municipalities' ability to raise money.

In short, the board cannot see a rationale for the inclusion of this section in Bill 26, and we would recommend to the government that you strike the licensing section from the legislation altogether.

With respect to the proposed amendments to the Public Utilities Act, the board of trade endorses the amendment to the Public Utilities Act with respect to providing municipalities with the authority to pass a bylaw to eliminate the need to obtain the consent of the electors with respect to privatization. We think that in the delivery of municipal services this is the way of the future—privatization, to a great degree—and what this amendment does is make that possible. We are pleased to see that and endorse very strongly that provision in Bill 26.

With respect to the proposed amendments to the Corporations Tax Act, the board endorses the changes with respect to sections 5 and 7. Section 5 relates to the clawback of corporate income tax by the federal government, and we really applaud the move of the government to take these steps to prevent that additional clawback and also the additional clawback in the provincial legislation, which is referred to in section 7. In effect, the amendment is very positive because it eliminates the double clawback by causing the Ontario tie-in provision in the Corporations Tax Act to the federal act to be read as though the federal clawback did not apply. The board applauds the inclusion of section 5 as it eliminates duplication and a significant barrier to investment and growth, and we think that's very important.

As a strong supporter of increased research and development initiatives, the board of trade wholeheartedly endorses section 7, which proposes to provide an Ontario innovation tax credit in respect of research and development to eligible small and medium-sized Canadian-controlled private corporations with permanent establishments in Ontario.

In conclusion, the Savings and Restructuring Act is a very broad, complex piece of legislation. The board supports the general direction taken by the government in Bill 26 to rationalize and restructure the public sector in order to achieve savings, efficiency and prosperity in Ontario. We feel that to address these issues in a timely manner it's very important that this act be passed.

We feel we can no longer tolerate in this province mediocrity in the public sector. We really feel that the

government, as many of us in business and industry have done, must get the greatest degree of efficiency. It is a very competitive world now. We're competing not only with other provinces and the United States but basically all countries in the world. We have to work to make Ontario competitive again, because we've lost our competitive edge. We feel that Bill 26 is really an additional step in doing that.

However, as we have already mentioned, although we support the aim of the bill overall, we do have some concerns with particular aspects of the act. We ask that the government review these concerns and consider the recommendations to amend the act to ensure that the legislation is applied to the people of Ontario in a fair and equitable manner.

Again, we would like to thank you, members of the committee, for this opportunity to make this presentation today.

1320

**Mr Silipo:** Thank you very much for the presentation. I would categorize your presentation—and feel free to comment in any way you wish on this—in terms of the various presentations we've heard from chambers of commerce, as being the strongest in raising a number of concerns and, even more than that, areas you're particularly opposed to. We've heard generally from chambers of commerce saying that they support the general direction of the bill, as you have done, and then they raise a number of concerns very similar to yours. I don't think any other chamber's gone as far as suggesting we ought to just take out the parts around direct tax and around the licensing provisions, so it's interesting to hear your comments on that.

I was also particularly interested in your sensitivity to the need to apply user fees. While you're saying you're in favour of some user fees, there is a need for those to be applied in a way that doesn't preclude the use of such facilities as parks, libraries or community centres for particular groups of people. I don't want to incorrectly categorize your position on that. Are you saying the way to do that is to delineate youth, seniors and lower-income individuals, particularly that class? I'm a little confused about how you would have user fees for some and not others. Or are you saying those are facilities for which there should be no user fees?

**Mr Coles:** Maybe there should be no user fees. An example where you could have user fees is where you've got adult use of playing fields and that sort of thing by sports teams. Maybe there could be an opportunity there for user fees.

**Mr Silipo:** Which happens now, generally.

**Mr Coles:** I think that sometimes happens now. That would be an example where it would be appropriate, but we do believe there should be a sensitivity. An example would be the libraries.

**Mr Silipo:** Yes. Those points about the effect of user fees on low-income individuals have been made to us by a number of groups. I was particularly glad to see it in your presentation.

There is one other point I want to pursue, the issue of timing and amendments. You're quite clear in saying you believe the government needs to proceed with its general



approach to this, but clearly making some amendments. If it were concluded that the most useful way to get at some of the changes that need to be made is by taking a little longer—I'm not talking about another year or even another six months but another couple of months—to look more fully at these, to be able to understand, for example, these questions about user fees, to know what might be in the regulations, depending on what the government's prepared to do by way of amendment, a lot of the implications for this will not be known until the regulations are there. One of the things we've been suggesting is that the regulations perhaps ought to be made public and given some public airing before they're adopted. Is that something you would support?

**Mr Coles:** I'm not sure I would like to see the act as a whole delayed to any great degree, because it's important to get our financial house in order and that can't happen unless this act is passed. That is the reason it was introduced in the way it was, that it proceed quickly. Some of these areas maybe should be changed, and in the case of licensing we suggest it just be pulled out at this time.

**Mr Sampson:** Thank you, Mr Coles and Mr Halldorson, for taking the time to speak to us today. I want to pick up on the theme of the user fee. Before I do that, though, I'd be surprised if my colleague across the table didn't tell you that the mayor of Mississauga, at least in his view, has indicated that she desperately needs the gas tax to balance off the cuts her city is getting from the ministry. I can tell you that's not what she said. In fact, she's indicated in the press recently that with the way she manages the city's budget, she is prepared to deal with those transfer cuts as she has normally done, within a balanced budget framework and no new taxes.

She also told us, interestingly enough, as it relates to use of parks and parks facilities, that she and her council decided they would increase the rate for park usage for the baseball diamonds, for example, because she needed to have some source of revenue to cover the cleanup of the facilities. The end result was that there was no transaction fee for the use of the park, but the people using it kicked in and did the cleanup on their own behalf. That was her example of one of the areas where she felt she and her council were able to better manage within a cost-reduction environment. As you know, she's also indicated that she's not terribly keen about garbage tax.

With all this talk about taxation and user fees, the general theme of the bill, as you can probably guess, is to transfer responsibility for the management of the expenses as close as we can to where the revenue is sourced from and where the expenditures are made. Is that consistent with some view you think we should follow up on? Should we be looking to the municipalities to be more accountable to the taxpayers they represent?

**Mr Coles:** This whole initiative is very important and I think it makes a lot of sense. It's simply a matter of how far you go. Our concern with using the term "direct tax" is that it opens up for the municipalities a whole area of taxation where they haven't had the ability to tax before, and I'm not sure that's appropriate.

**Mr Sampson:** Unfortunately, the term "direct tax" in the legislation, as you could probably guess, is legalese

to deal with the powers that we as a province are granted under the Constitution, so we're kind of bound up in that legalese. But the concept is that we're trying to pass to the municipalities—there has been some indication from previous presenters that this is unwise because the local councils are not likely to use that power effectively and fairly.

**Mr Coles:** First of all, the initiative of transferring greater power and responsibility to the municipalities is good as they've been very hamstrung in their ability to react in certain areas, so in principle we would agree with that. But one of the things we looked at from a business tax point of view is that if a business operating in Mississauga undergoes specific types of taxation that they don't have to undergo in Oakville, for example, that produces an inequality that might be a problem.

**Mr Sampson:** But clearly the mayor of Mississauga, in your example, is going to have to deal with that reality or she won't have the business in her city.

**Mr Coles:** Or she's going to lose the business, that's correct.

**Mr Sampson:** Isn't that a fact of the way business goes and the way dollars flow? Eventually they'll go to the place where they get the best service for their tax dollars.

**Mr Coles:** No question about that, and the growth that has taken place in Mississauga over the past 10 years is an example of that, where you've got excessive taxation of business in Toronto and lower taxes in Mississauga.

**Mr Agostino:** I keep hearing things like "more accountability," and "more parity to municipalities." What we don't hear from the government side is "significantly reduced transfer payments." We're saying: "Municipalities, you're great fellas and you can do a great job there. We're going to give you all this new-found power." But what is the new-found power really for? It's power to levy new taxes, new fees, so what you're doing is giving the municipalities more power for direct taxation to make up for what is a loss of provincial funding, a significant reduction, up to 43% in some areas. The money is not going to come from the province, so we're saying to the municipalities, "You go raise it from your own local taxpayers." I guess it's your view that it would solve the problem of trying to bring provincial fiscal and taxation issues in order with municipal taxes or provincial tax.

Second, on the impact of the fees, we heard from the mayor of Guelph a couple of days ago that they're relishing the possibility that under business licensing for a restaurant, for example, where they can now charge only \$20, when they look at the legislation, it allows them to charge a full fee and that licence could go up to \$500. Would you support that for the businesses you represent, where a licence for a restaurant could go from \$20 to \$500?

**Mr Coles:** That would be a concern, for sure, but we would really have to look at the whole thing. We do understand that with this legislation and with, as you say, the cutting back of grants to municipalities and this whole area of accountability, there will be requirements to raise additional funds at the municipal level.

**Mr Agostino:** But how would your businesses react to the fact that their licences could go from \$20 to \$500?



**Mr Coles:** Obviously, they wouldn't be very happy about that.

**Mr Agostino:** So you would not support that component.

**Mr Coles:** I think you'd have to look at it in the whole context of what was taking place.

1330

**Mr Phillips:** I'd actually forgotten about the mayor of Mississauga's comments, but I have them before me here now.

**Mr Coles:** I'm surprised you could forget that.

**Mr Phillips:** I know that during early testimony it was asked, "Do you think this permits a gas tax?" "Yes." Then it went on, "Is it your understanding of a gas tax?" "Yes." Then she goes on to say, "When we discussed integrated transit in the greater Toronto area, the only way that we can have integrated transit in the GTA—and we discussed it, all the municipalities involved—was a gasoline tax. We would have to ask the government to pass that"—till this bill came along. "Maybe now we might have the opportunity to put it in." So she's saying an integrated system with a gas tax.

Then it goes on to say, "Have your legal people looked at this, and does it permit a gas tax?" "That's our interpretation, yes." "Would it permit a sales tax?" "Yes." "So that too would be permitted." "According to our reading of it, yes"—this is Mrs McCallion—"it allows sales tax and gasoline tax."

It was very clear that the legal interpretation they're getting is that it permits a sales tax and a gas tax municipally.

**Mr Coles:** That's correct. We did follow up on that, and that was their legal interpretation.

**Mr Phillips:** Okay.

**The Vice-Chair:** We're out of time for this overall presentation. Thanks very much for your presentation.

**Mr Coles:** Thank you very much for the opportunity to appear.

#### PETER CASSIDY CONSULTING

**The Vice-Chair:** Our next presenter is Peter Cassidy Consulting. Mr Cassidy, welcome to the proceedings. You may commence at any time.

**Mr Peter Cassidy:** As promised, I'll be presenting alone, as I operate my business alone. I am a consultant, have been in that business for about three years. Prior to that, I used to be a lawyer in private practice for a few years and for a number of years working at a legal clinic here in the east end of Hamilton. Before that, I used to work for a living.

I'd like to begin my presentation by thanking Mike Harris and the Progressive Conservative Party for putting revolution on the agenda, even if you had to claim it was a Common Sense Revolution. You are to be congratulated on your brilliant strategy of wooing the voters of Ontario by promising them the impossible: doing away with the deficit while cutting taxes. The way you attacked the poor, immigrants, women and all the other target groups as some threat to peace and prosperity was a stroke of genius, though some may call it madness. The way you rammed through the early part of your agenda—the cuts in welfare, gutting the labour legislation, the slashing of

transfer payments—that was terrific, in the full and original meaning of that word, "terrific."

But I must warn you, comrades, that the revolution is in danger. Across the land, the peasants are revolting. The opposition parties have been trying to fill their outdated role of raising questions in the Legislature and demanding public accountability. And now Bill 26, the enabling legislation which allows you to implement so much of your program, is being subjected to public scrutiny.

I'm here today to offer in some friendly terms what is to be done if your revolution is to succeed.

First, you must ignore any input from anybody, friends or foes. Ignore what the board of trade says, or the disabled groups or anybody when they suggest amendments or ways of dealing with legislation. It is not only that this legislation is key to the new order. People must become used to the idea they have no say in how Ontario is governed. And never again must any piece of legislation be forced to go through a process of public hearings, no matter how shallow or sham these hearings are. You've done it with Bill 7; you can do it again.

Secondly, you must make sure that no one is made aware of potential legal and constitutional challenges to the bill or any other parts of the legislative agenda.

Lastly, and most importantly, you have to be willing to live with the consequences of your revolution in the breakdown of the economic, social and political order of the day, including the rise of counterrevolutionary forces.

Why, you may ask, is Bill 26 so key to your revolution?

One example we can imagine is a situation where a man is required to pay his spouse, or his ex-spouse, moneys for child support. He cuts that money and tells her she can now put the children out to work or cut the amount of meals the children will have to eat. Under the old-fashioned way of thinking, this man would be considered a deadbeat for failing to provide the moneys required or be considered an exploiter of children. Under your new and revolutionary belief, he would be enabling the family, making them face up to the tough choices life has to offer. Live or die, it's up to them, and dad has the choice to intervene if he chooses. He's enabled.

Under the old system of belief, a provincial government that abandoned funding for services, leaving it to subordinate governments to cut services or impose user fees, would be seen as abandoning its obligations. Under the new and revolutionary belief, you're enabling the communities, forcing them to make the tough choices life offers. Live or die, it's up to them.

And under the old-fashioned system of belief, if a provincial government seized the power to make decisions by regulation or administrative order without parliamentary debate or public scrutiny, it would be seen as anti-democratic and illegitimate. Under the new revolutionary belief, the government is efficient and enabled.

And just as the deadbeat dad—pardon me, the enabler of the family—might have, under the old way of thinking, been taken to family court, there may be legal challenges to Bill 26 by those still believing provincial governments have responsibilities and can be held accountable.

The best way to avoid such challenges is to make sure



people are never aware of the possibilities. It is important that people never be made aware that there is the possibility of referral to the Supreme Court of Canada for an advisory opinion on the validity of legislation and that referral can be made by the federal government or the provincial Legislature. Often neglected—and what you certainly hope is neglected in the future—is the right of the provincial Lieutenant Governor to refuse assent to a bill or to reserve that bill for the pleasure of the Governor General. I would suggest you make particularly sure that the members from Hamilton, who are known to be counterrevolutionary forces in the opposition, are not aware of this, for they might raise that issue of a referral off of the bill.

J.R. Mallory, in *Social Credit and the Federal Power in Canada*, documents how the government of Alberta during the 1930s and 1940s had its legislation regularly disallowed by the federal government, in essence gutting that revolution.

In a recent case, in 1961, the Lieutenant Governor of Saskatchewan vetoed An Act to Provide for the Alteration of Certain Mineral Contracts, believing it was an important bill affecting hundreds of mineral contracts and he had doubts of it being in the public interest.

There have been over 100 pieces of provincial legislation disallowed since Confederation, and you want to make sure people are not aware of that. Hopefully, they remain ignorant, and your basic strategy is to keep the people of Ontario and the opposition parties ignorant.

Finally, as true revolutionaries, you must steel yourselves for the consequences of the revolution, including the breakdown of the current economic, social and political order and the rise of counterrevolutionary forces. From crumbling infrastructure to overcrowded hospitals and jails, from more beggars and prostitutes to more homicides and suicides, from confrontations on picket lines to stormings of the Legislature, we know Ontario is going to get uglier and uglier, meaner and meaner. You must be prepared to deal with that.

I began this paper congratulating you on your success in putting revolution on the agenda. I would conclude by cautioning that for every revolution, there is a counterrevolution. I wish you well in your deliberations. Ontario needs it.

I've provided for the committee an extract from an article from the *Canadian Journal of Economics and Political Science* dealing with the situation in Saskatchewan. At that time, the Lieutenant Governor thought a bill dealing with mineral contracts was an important bill and therefore vetoed it. I think if you look at that and look at some of the other material, you may find that there are potential challenges that come through to this legislation.

I do have, as I said, a certain sympathy for the Progressive Conservative government and what they're attempting to do. I can understand the belief of a political party that things have been wrong in Ontario, that there's a need to drastically change the social, economic and political order, and I can understand the desire to rush in and try and bring in those changes, firm in the belief that you know what is right; you have a mandate to do it.

But I must warn that there will be times, and you're going through this now, when people want to have input in the process, when courts may be involved, when opposition parties may be involved, when the Lieutenant Governor or the federal government, other institutions or agencies, may be involved in that process.

Again, as I have stressed, I think you have to be aware of the consequences of what you're doing. You have to be aware, and I gather this has been discussed in various caucuses, that what will happen is that there will be drastic changes in Ontario. You will see more poor. You will see more people begging in the streets. You will see a breakdown in a lot of ways of the basic system we've known, and you have to be aware, obviously—you've gone through the situation of seeing security cameras down at Queen's Park—that is going to happen, more and more. You've gone through the situation of London, Ontario, in the strike that took place there, and you have to be aware that more and more of that's going to happen. As you move sharply to the right, there will be a move from some to the left, and I ask you to consider all the consequences of what you're doing in this bill and what you're doing in your government.

**The Vice-Chair:** Thank you, Mr Cassidy. At this time, each party has an opportunity to discuss your presentation with you. At this time, it's the governing party, and they have roughly a little bit more than six minutes each.

**Mr Doyle:** Hi, Mr Cassidy. How are you today?

**Mr Cassidy:** Very good, Mr Doyle.

**Mr Doyle:** Good. You mentioned you had concerns about the constitutionality of some of what we're proposing to do.

**Mr Cassidy:** Yes, sir.

**Mr Doyle:** Could you give us some specifics? What part do you think could be constitutionally challenged?

**Mr Cassidy:** I think that there is a general constitutional argument that public business must be done publicly, and, as I understand—and it's difficult to go through the whole bill—there is a claim by the government that the minister can now make those decisions or decisions can be done by administration, by regulation, by orders in council. Essentially speaking, a lot of decisions are now going to be made without that public scrutiny, without that public debate. That's one area.

The other area I guess has to do with the general idea of the obligation of a provincial government to provide certain services. If by a combination of the funding cuts and the sort of enabling legislation you're doing, where you're saying, for example, that municipalities can impose user fees or municipalities can cut services, and if you allowed those municipalities, which are essentially your creatures—they're under your control—to do that and you end up in a situation where, let's say, you have denial of services, that garbage is not being collected, that transportation is not being done, then I think you may be abandoning your responsibilities and may be challenged on that, or if you transform what were formerly public institutions that were available to the taxpayers as a matter of right into ones that are only available to those who have money, who can pay for it, you may be considered as abandoning their rights.

I would suggest the best way to deal with this, and you



may wish to take me up on this, is to consult your own staff and legal counsel to ask them whether or not there are any legal problems with your bill. I've heard it from a number of people and the media have questioned that. You may ask them. It is quite possible for the government to refer provincial legislation off to the Supreme Court of Canada for an advisory position on the legality of the bill. That may be something you want to consider doing.

**Mr Doyle:** You mentioned in your presentation that you understood what it was we were attempting to do, and that is get the province out of trouble. I mean, this is what we're trying to do. Would you agree that a \$100-billion debt is not a serious problem?

**Mr Cassidy:** I would agree that it is a serious problem.

**Mr Doyle:** Yes, it's a serious problem. How would you propose or what would you propose would happen to so many of the poor that you speak of if this continues? Because then we will lose even more services. Would you not agree with that as well?

**Mr Cassidy:** I would tend to disagree and I think there are solutions. I'm not necessarily trying to debate your political agenda.

**Mr Doyle:** No, no. That's right.

**Mr Cassidy:** I'm saying I understand to some extent the desire you have. I'm, I guess, trying to caution you that you may have to not rush as fast and as ruthlessly, if I can, in doing that. You may actually have to sit down and listen to the board of trade. You may have to sit down and listen to disabled groups. You may have to sit down and listen to other people. You may have to listen to the opposition parties. You may have to listen to the courts and the Lieutenant Governor and all the other institutions and work out a more consensual, if I can call it, approach, as opposed to: "We know what's right. We're going to go ahead and do it, and forget you."

**Mr Young:** In part of your presentation you say we're going to have overcrowded hospitals. We are so far from that, particularly in Metro, but we have in Ontario 6,700 empty hospital beds. There are wards closed off all over the province. If you put all those beds together you'd have 33 medium-sized hospitals empty. We're trying to address this situation. Do you have any comments on that?

**Mr Cassidy:** Again, I understand you are trying to address what you perceive as problems. I have some sympathy with that belief. My understanding is that as part of Bill 26 there is going to be a massive restructuring of hospitals. They are to a certain extent allowed to do it themselves. To a certain extent the minister maintains the power to step in, and that obviously will be addressed in the submissions on health. My understanding is that what may well be happening with Bill 26 and with the funding cuts and whatever else is that you will end up having inadequate health care in the province.

**Mr Young:** You also say here, and I assume you are saying it sarcastically, that we should not let people have any say and we should ignore input from anybody. We sat for one week in Toronto. We heard over 50 delegations. By the time it's all said and done, in this committee we will have heard over 360 delegations, including

yourself. How can you say we're not listening?

**Mr Cassidy:** As I understand it, you didn't want to listen. Am I incorrect?

**Mr Young:** How can you say we're not listening?

**Mr Cassidy:** Do you allow for hearings unless there is opposition?

**Mr Young:** Let me get this on the record, because this is a myth the opposition are putting forward. When Mr Curling hijacked the provincial Legislature, which belongs to everybody in Ontario, there was an offer on the table for 360 hours of hearings which they had turned down. I don't know if you know that.

**Mr Doyle:** Correct. I was there.

**Mr Young:** That's a fact.

**Mr Cassidy:** Well—

**Mr Young:** So we did want to have hearings and we are having hearings and we are listening.

**Mr Cassidy:** Again, sir, and I'm trying to be as fair as I can in responding, I can understand that you want to put your agenda forward. I can understand you saying with Bill 7, your labour legislation, that you had a mandate to do that; you're going to undo it and not hold public hearings. I can understand the tendency of a government in your position to say, "We're going to go ahead and do it." I am suggesting—and yes, you're right somewhat in saying there is a sarcastic tone there—that you really can't do that, that you really should listen to the board of trade and you should listen to the disabled and you should listen to the people here who are speaking to you.

**Mr Young:** Imagine a situation where you have four levels of government and for whatever reason over the years the governments are not functioning and there is debt at virtually every level of government, certainly at three out of four, and there is a spending crisis approaching a fiscal crisis. What would you do?

**Mr Cassidy:** I'm saying I can understand where you come from, that you perceive a crisis, that you perceive you have the solution or you want to get the tools to do it. I can understand a business example where you come in as a new board of directors of a corporation or whatever and you say: "The corporation's in trouble. We're going to deal with it. We're going to lay off people, we're going to shut down, 'bang, bang, bang,' move very fast." I can understand that. I disagree with some of the specific steps you're doing. But I guess even more importantly I'm talking about the process. Any manager knows you cannot just go in and, "bang, bang," do it. You've got to sit down and work with the people.

**Mr Young:** Just one more question. You made a comment on Bill 40, that we rammed it through or we got rid of it or whatever. It was a major plank in our election campaign. June 8 we got 82 out of 130 seats. We said, "It's killing jobs; we're going to get rid of it." How can you say the people weren't consulted?

**Mr Cassidy:** I think this is relatively good; I think we are dialoguing to some extent. I understand your belief on Bill 7. You did have a mandate to do that and therefore you did not need to go out to public hearings. I understand that—

**The Vice-Chair:** Unfortunately, we're out of time, Mr



Cassidy, for this part. To the opposition party.

**Mr Phillips:** I'm not sure you understand the seriousness of the problem. The Common Sense Revolution, as you know, calls for a \$5-billion tax cut. You realize the government has to find \$14 million a day to fund that tax cut. That's \$600,000 an hour to fund the tax cut. That's what this bill is all about, to find \$5 billion a year in tax cuts. So obviously they've got to cut very, very deep on services. The problem is, I gather from the government, that the poor in this province have too much and the rich don't have enough. So they have to find a way—

**Mr Cassidy:** They've got to fix that.

**Mr Phillips:** They've got to fix that. They've got to find a way to find that \$5 billion, and the way they have to do that is with this bill. They've got to take \$250 million out of the pension fund of the public sector. They couldn't do it by regulation, so they've got to pass that law. They've got to pass a wage control portion for firefighters, police, hospital workers. They have to impose user fees on people who want to use libraries, on young people who want to use libraries. They have to take taxes up on businesses. It's serious because they've got to find \$5 billion for a tax cut. Were you aware of the seriousness of finding \$5 billion for a tax cut when you made your presentation?

1350

**Mr Cassidy:** To some extent, and again I understand there is a desire to bring about a revolution, to transfer power from one sector of society to another, and I tend to agree with you that basically speaking the desire is to transfer money from the poor to the rich. That is what they're doing, and in order to accomplish that very revolutionary change they have to use revolutionary methods, and their revolutionary methods are going to involve drastic damage to the people of Ontario.

**Mr Phillips:** Then you indicated there wasn't adequate consultation. Well, this bill was introduced on November 29 and they were prepared to give two full weeks before they made it the law—two full weeks. It was going to become law on December 14. Introduced November 29—by the way, I would add that I think all of us were in what's called the lockup at that time—we returned to the Legislature to find it already tabled. But the government was prepared to give us two weeks.

Don't you think two weeks is quite adequate to have a debate in the province on a bill that thick, amending 44 different acts, changing the lives of everybody in this province? Don't you think two weeks would have been completely adequate for that?

**Mr Cassidy:** I regret I must disagree with you on that.

**Mr Phillips:** I am trying. Of course you would. It's nonsense that they would think that was adequate debate. They say this is all the bill is about: fixing the deficit. If that's what it were all about, I think many people in this audience would say, "All right, we understand that." But this bill is all about finding the funds for a \$5-billion tax cut, and that's why many people around the province are having so much difficulty with it. If it was just to fight the deficit I think everybody perhaps could band together and say, "Well, let's find a way to do that." But this is about funding a \$5-billion tax cut. That's what the bill's

all about.

**Mr Agostino:** I just want to follow up briefly on your point of consultation. Mr Young pointed out to you that we have been offered 360 hours and that you weren't aware of that. He said Mr Curling hijacked the Legislature. I can tell you that had Mr Curling and the opposition parties not done what they did in the House, you wouldn't be here today making this presentation. These presentations would not have occurred. Presentations across Ontario would not have occurred.

Yes, they were willing to give you 360 hours. They were willing to give people across this province about two days' notice to prepare on a bill that most government members have not even read yet, and they were going to have hearings up to December 21, between 9 am and midnight in Toronto. That was the extent of the 360 hours that have been offered to the opposition that they so much brag about, that there would have been more than what has been given here today to deal with a bill that will change dramatically the way we operate in this province and that will change dramatically people's lives in this province and that will give certain powerful sectors of our government, certain ministers and certain people across Ontario, powers that people have never had and should never have in a democratic system. That was their version of public consultation: 9 am to midnight leading up to Christmas, and giving people about two to three days' notice in order to come forward and make a presentation.

We've heard this morning and in the last few days from groups that have had two to three weeks and still could not prepare for this, still could not understand fully what that bill had in place, but they were going to give you two days. I'm proud of what the opposition did, I'm proud of what Mr Curling did and I think that move led to people in Ontario finally starting to understand the agenda and starting to understand what is in this bill and how draconian and regressive and undemocratic this bill is. If it hadn't been for the opposition and Mr Curling's action, that wouldn't have happened and you wouldn't be here today. What has been hijacked has been democracy and the way these guys want to run government. Do you have anything to say on that?

**Mr Cassidy:** Can I say I tend to agree with you and leave it at that?

**The Vice-Chair:** To members of the NDP. Mr Christopherson.

**Mr Christopherson:** Peter, I want to thank you for your interesting and innovative way of approaching this. I think it's very thought-provoking. As much as there are a lot of jokes and laughing here, I think there's dynamics as to what's going on that are underscored by the way you've presented it, which is unusual and unique but I think very effective too.

I also suspect that it's not unlike probably some of the advice that the government is indeed getting from some of its backroom planners: the approaches in terms of what they need to do to achieve what they've set for themselves—and I agree with Gerry that in large part this is about paying for the tax cut—and also talking about the implications of what they have to expect out there—as opposed to in the bunker where the government is—out



there where the rest of us live. Your comments about what they have to face, with crumbling infrastructure and overcrowded jails and hospitals and all those kinds of things, are accurate. I suspect that they're acknowledging in their back rooms and certainly in the cabinet room that that is the case, and the strategies they're building on are how to deal with that.

Anybody who believes for a moment that the government was sincere in wanting public hearings, by virtue of the number of hours they're talking about, needs to take a look at the real record. The record is part of what's happening right now, that we can't fit in all the people who want to comment. We've still got business groups as well as labour groups and environmental groups saying, "We haven't had time to go into that part of it, but here's what we've got so far." This was all about trying to boondoggle the American public, and the Canadian public, because the two are linked.

*Interjection.*

**Mr Christopherson:** I think it's a Freudian slip, but it fits, because all through the holidays I kept thinking, as I watched Gingrich and Clinton, that's similar to what's happening here. There's not an argument about whether we need to deal with the debt or deficit, but there is a real difference of opinion on how we approach that. I think this government is very comfortable with the Gingrich style of Americanizing Canada and approaching North American politics and budget-making in that fashion. I really do. I also believe that over a period of time, Ontarians will react in the same way Americans are to Gingrich. His numbers are going through the basement, and the Tory numbers eventually will see that too as the true implications of what they're doing take place.

The fact of the matter is that this government took so much in such a short period of time and tried to ram it through a couple of weeks before Christmas. The whole idea was not to let people know what was going on. They can deny that all they want; I'm convinced in my heart. I was one of the ones, like my colleagues here, who surrounded Alvin Curling to make sure that what happened with Bill 7, which was a disgusting, disgraceful display of abuse of democratic power as has ever happened in the province of Ontario, didn't happen again. The government can say as much as they want that they really wanted public input. They did not. They wanted to bamboozle the public, they wanted to ram this thing through as fast as they could, the revolution all in one big move, and then let the people figure out what happened afterwards as they're dealing with the devastation that remains in Ontario, or at least what used to be the Ontario we know. That's the agenda. That's what's going on.

They were trying to avoid exactly what's happening here now, and that is, group after group and community after community coming out and pointing out that in this legislation you're dismantling all the good things that make this a great place to live. That's what you're doing and that's what they tried to avoid, and that's why we're trying to do everything we can to extend the hearings even longer, not because it's a good opposition ploy but because that's what needs to happen if you really cared about the law and its implication on the people of Ontario. You would take more time to look at Bill 26,

and that's the opposite of what the government wants.

I want to ask you, on one of your pages where you do talk about what will happen with regard to crumbling infrastructure, and you say there'll be more beggars: Could you just explain why you think that will happen? The government believes—I accept that it believes—it is doing something that's good for Ontario, that this is going to make Ontario a better place. Obviously you don't believe that. Can you just expand a little bit on why you think we're going to see this kind of deterioration in Ontario?

**Mr Cassidy:** Again, I think this bill is part of the enabling of the revolution. I think there is a basic agenda. As one of the opposition members pointed out, there is a certain economic agenda. There's a certain idea of transferring money and wealth and power, certainly in terms of the welfare cuts, whatever, and in terms of the idea that a lot of public services may now be subject to user fees. You may have transportation systems where you have to pay more money or you're not going to have those services. There is going to be a transfer.

We are going to see more poor. You are going to see more people out begging in the streets. If you cut welfare 25%, and I'm trying to be as fair as I can, I hope you understand very clearly, members of the government, when you cut welfare to that level, you're going to see more people begging in the street, you're going to see more women forced into prostitution and you're going to see more crime. You're going to see that. That's going to happen. You know that, everybody knows that. You can't avoid that.

**The Vice-Chair:** Unfortunately, we're out of time at this point. Thank you very much for your presentation.

**Mr Silipo:** Mr Chairman, on a point, if I may, while the next presenter is coming to the table, which I meant to raise at the end of the last presentation: In the presentation from the Mississauga Board of Trade, there was reference to an article that I certainly think would be of interest to the committee. There was a reference to an article by Peter Hogg in Constitutional Law of Canada on the issue of direct taxation. I wonder if we could ask legislative research to get committee members a copy of that.

**The Vice-Chair:** Yes.  
1400

#### PATH EMPLOYMENT SERVICES

**The Vice-Chair:** Our next presenter is PATH Employment Services. Welcome to the proceedings. It's Ms Mallett, and we have Sal Vella who is with you?

**Ms Aznive Mallett:** Yes. First, the technical side. Can you hear me? Is the microphone close enough?

**The Vice-Chair:** You could speak a little bit louder, if it's possible.

**Ms Mallett:** I can't speak very loud. That's why I'm asking.

**The Vice-Chair:** Okay, sorry. Maybe we could move this.

**Ms Mallett:** My name is Aznive Mallett. I'm the executive director of PATH Employment Services. I also volunteer in this community and I'm dedicated to disabil-



ity issues and the disability movement that probably started to gain momentum 10 or 15 years ago. The key reasons I'd put down were probably Rick Hansen and his Man in Motion tour around the world.

PATH Employment Services is an employment service for people with all kinds of disability as well as people recovering from drugs and alcohol etc. We have been very successful in finding people work, and of course that makes economic sense. Everybody would like to be financially independent as opposed to being dependent on government dollars with all the strings that are attached. We would like to earn money, spend money and prosper, and help the economy to prosper. That goes to everyone I've met who has a disability.

I've asked Sal Vella to join me. He is the present president of United Disabled Consumers—I'm past president—and he wants to speak specifically about one issue. He'll do that after I do this part.

I appreciate the opportunity to speak to you today, but it is intimidating. There's a big group of people here. I'll try to stay on track. I haven't had a lot of time to prepare for this because, as was said a few minutes ago, it is a large document and it's very difficult and time-consuming to go through it. I'm giving it a stab. I probably will miss some things and hopefully other people with disabilities will have the opportunity to pick those up.

Bill 26, the savings and restructuring legislation, is an amazing piece of legislation. I'm amazed at the depth of it. It seems to be very far-reaching, and it has the potential to do a lot of good and the potential to go off on a tangent and do some dastardly deeds, I suppose. It worries me.

Many of the changes are necessary, many of the changes are timely, but this bill I think chills people with the fear of, where will it stop, what are the parameters? There are many easy ways of fixing things in this world, and sometimes the Band-Aid fixes lack the depth of analysis that would make it work, and make it work for everyone, and looking at how this will impact on what people are living with, the people at the grass-roots level.

What I'm saying is I would like to ensure that there are a lot of people involved in developing things like this so that what will happen in the end is that it could allay our fears. People's lives can be in jeopardy with this legislation and it can change everything. It has a ripple effect in that it can be far-reaching, far beyond what was anticipated and planned. I believe the people who have made this legislation have probably done it in the best interests of the people in Ontario, but our infrastructure is tender, it's fragile, and I'm worried about it crashing down around us, again at the grass-roots level.

People with disabilities must be included in the planning, policy development, legislation development and implementation and, most important, the evaluation of what is implemented. I think with that you will be virtually allowing us to have a say in our future, and we have a stake in our future just as everyone else does. This government, as any government, must never work in a vacuum. That would defeat the opportunity to be informed enough to develop the best legislation and achieve the best results and practices.

This government in the Common Sense Revolution

made a commitment to people with disabilities, and I guess I'm saying we're going to hold you up to doing that. You made that commitment. We're going to watch and we're going to talk to you. Please continue to allow us to talk to you. We'd like to make you stick to that. Specifically, again I'd like to say people with disabilities want to work, and we will be looking to you to continue to allow us to work as we have been gaining, as I've already mentioned, in the disability movement.

To do this, we need to have equal opportunity to receive education and training, and the training must be quality training with the same standards as the training that is delivered to other people, not just people with disabilities. I think when this happens, the employers will hire us, with or without incentives, and perhaps with or without the Employment Equity Act.

But my experience has always been that even with the best intentions, people are people, and until they are forced to do something, it's easier to avoid doing it. Hiring people with disabilities at times is a new and challenging thing, and it's easier not to do it. Employment equity legislation gave a direction to people that this is what the government wants and expects.

I'm going to touch on several parts of the legislation and, as I said, I haven't had a lot of time to go into it with a lot of depth, but I'll take a crack at it.

Health care concerns: We have been deinstitutionalizing for several years. I will assume people know what that means. More and more, there are fewer and fewer beds, and more and more, people with severe problems and needs are on the streets. Maybe that's not bad. We would all like to live in our community. A community is made up of everyone. But there needs to be more put into the community to care for people who are now no longer being looked after in institutions or hospitals. It's not enough to just keep cutting and cutting. Please, continue to ask yourselves what you are putting place to pick up the slack. There is a lot of slack, and it's continuing to grow.

There is a reduction in hospital beds, a reduction in institutions, a reduction in diagnostics, a reduction in drugs. There's a reduction in the community services and a reduction in adaptive devices and prosthetics. Totally, there's just too much reduction and, just to give that a further push, there's an increase in user fees. User fees, left, right and centre, everywhere I look through this legislation there seem to me more and more opportunities for user fees, and I frankly don't know how anybody's going to manage with all of this.

I believe there is a drastic deterioration in the quality of health care and I think it's going to deteriorate further. As an example, I know a woman in this community who is just a dynamic person and, when she's well with her medication, she is just phenomenal. She has a mental illness and without the medication, she goes into psychosis and she sees and hears things and she is a totally different person. If she can't have this expensive medication, she can't function on a daily basis, never mind as someone who can work and is a viable, intelligent person with the medication. I'd like you to keep hold of that thought, and I think Sal will be expanding on that in a moment.



There is also the deterioration in health care in that people now with three months' training are providing medical services. They don't have the background, they don't have the depth to provide these services, but this is what's happening. The legislation, as I read it, is going to allow more and more of this to happen, and I'm concerned. Frankly, it's dangerous. As a person, as a human being, as a citizen of Ontario, this is probably going to impact me, and it scares the hell out of me. It really scares me. I don't think this is your intent, and that's why I think it's important that this be pointed out to you, so that you can try to prevent it from going to that depth.

With the reduction in health care and the increase in user fees, I'm concerned that single mothers with children will not take their children to the doctor or to the hospital, and now we're allowing a whole new problem to develop and to grow. Preventive medicine has worked well for us over the years. I don't believe this is what the new government wants, and maybe you can confirm that when I'm finished speaking.

When you're eliminating the duplication that does exist and, through coordination of services, reducing that duplication, will you please continue to ensure that you're not reducing services. That will be part of that ripple effect that needs to be kept in hand, and you need to do that continuously.

Redefinition of insured services: I believe you're allowing discrimination as to age already and I'm concerned that the changes to the definition open the doors for discrimination on grounds of disability as well. I'd like you to please be aware of that and please ensure that doesn't happen. Again, we've made tremendous movements forward, provincially and federally, over the last 10 or 15 years in our disability movement. We want to be mainstreamed and we want to do the same things you do.

Access to information: People with disabilities cannot easily access information due to their disabilities. Some of us have communication disabilities. Some of us have physical disabilities. Some of us can't see. Some of us can't read. Because of that, we're already at a disadvantage. By changing the access to government information, people with disabilities are going to be further isolated.

Apparently now Bill 26 imposes fees for personal information, and it seems to me that with this and the disadvantages we already have, people with disabilities will not have any knowledge of whether or not government information is accurate. We won't be able to check that.

Interest arbitration: In the interest arbitration, arbitrators may reduce the essential services that people with disabilities rely on, essential services such as hospital workers, police departments etc.

The Municipal Act: Municipalities now must impose taxes to make up for the cutbacks from the provincial government. We're concerned about where these will come from and how they will affect people with disabilities. Again, where does it end? Where are the parameters?

Responsibility and accountability: We would like to make sure that there is an inclusive approach to developing changes and monitoring the changes.

Individual interpretation of policy by local bureaucrats

creates a further problem. You may put the legislation in place and think it's easily defined, but when that definition is being interpreted at local levels, I don't know what your guidelines are and your measures and whatever else exists to make sure that it's being interpreted the same way within different communities.

We want and need to be part of the mainstream of Ontario. The best way to be part of the mainstream is through financial measures, and financial independence really comes through employment.

We need to make sure that all the training and education available to all the citizens of Ontario are at a standard level and not substandard. I'm afraid it has been substandard. It doesn't work for able-bodied people and it certainly doesn't work for us.

In terms of education, I think there will be fewer students. There will be less money to accommodate people with disabilities. Tuition costs are going up, and options for people with disabilities are dropping. If we don't have education and we don't have quality training, we can't work.

The money for transportation is also decreasing, and accessible public transportation needs to go in the way of mainstreaming, as has been started over the last few years. There needs to be a strong movement towards allowing people with disabilities to travel for the same number of hours and to the same extent that other people do. As it is right now, people in Hamilton cannot travel to Toronto. To do that we would have to go through different communities with different parallel services and it would probably take a day to get there.

General welfare, and I'll just touch on this briefly: There's a 21.6% reduction in general welfare, and one of my concerns is that although people with disabilities appear to be protected from that clawback, parents of children with disabilities don't seem to be protected. They have extra costs and expenses in terms of everything that child has to do, from access, to food, to everything you can imagine, and I don't believe they're being protected.

I'd like to know what is being done to include people with disabilities and protect access that has just been gained over the last few years.

In summary, I'd like to ask you the question, who is going to be monitoring the ripple effect of this legislation, how it is actually implemented and how it affects those areas of lives that, no matter how much you plan, you will not anticipate? The effects will go that far. Are there opportunities for checking and adjusting the effects of this legislation through open and inclusive input?

**Mr Sal Vella:** My name is Sal Vella. I'm the president of United Disabled Consumers, which is a self-help advocacy organization for persons with disabilities in the Hamilton region. Our mandate is to represent the disability community, educate the public, and conduct surveys and research on issues impacting persons with disabilities. We have also participated in many consultations directed at overcoming the disadvantages faced by people with disabilities.

UDC has a number of concerns regarding Bill 26, but as a result of time constraints and because my colleague has touched on those concerns, I will focus on drug



affordability for persons with disabilities.

Under schedule G, the Ontario drug benefit plan will be amended to permit copayments. UDC has consistently opposed copayments under the ODB in the past and is strongly opposed to their introduction in this bill. Numerous studies have shown that copayments often deter people who need medications from obtaining them. The result of not obtaining needed drugs may be hospitalization or additional utilization of health and social services, depending on the nature of the illness or disability. The cost saving to government obtained by this measure is not realistic.

UDC has particular concerns for those with higher drug costs and lower incomes. The government has proposed a \$2 copayment per prescription for social assistance recipients and other low-income groups. However, the exact amount is left to the regulations. Also, if the legislation is passed, in future the copayment may be increased significantly.

While \$2 may seem a modest amount to pay for a prescription, persons with disabilities and significant health problems who have to pay for several prescriptions each month will find this a major barrier to obtaining needed drugs. It must be remembered that persons with significant drug costs related to disability and illness typically have other disability-related costs for items and services, including assistive devices, personal care, transportation and non-insured health services.

1420

As entitlements are being reduced and copayments introduced for these items and services by all sectors—governments, for-profit and non-profit organizations—it becomes more and more difficult for those most in need to pay for them. Many persons with disabilities in Ontario have already been subjected to a 21.6% social assistance cut. These include people who may be immediately eligible for family benefits but whose transfer from general welfare assistance to family benefits is, at best, taking several months.

UDC has particular concerns about groups such as persons who have a history of psychiatric treatment. Even though psychiatric consumers may be in great need during acute episodes, they often are unable to obtain family benefits at all because of the uncertainty of their prognosis. But when individuals on GWA who have already lost 21.6% of social assistance income are faced with a copayment as well for psychiatric medication, the result will often be that they won't buy the drugs. This may lead to hospitalization or increased demands on community services.

Other people with disabilities report difficulty in obtaining family benefits; for example, those with learning disabilities or environmental sensitivities. There is great concern among UDC members and others active in the disability community about the narrowing of the definition of "disability" under the family benefits or a successor guaranteed support plan. The Minister of Community and Social Services has referred to this generally but has not made his plans known to anyone yet.

Another class of social assistance recipient faced with the 21.6% rate cut are parents of children with disabilities, whether in one- or two-parent families. Unless the

parents are also themselves disabled, these families have already had a significant income loss, and the copayments will add to their difficulties in caring for their children. The cumulative effect of all these cutbacks in some cases will be that the parents can no longer cope with their children, who will require residential or institutional placement at a public cost of up to several hundred dollars per day.

The new Drug Interchangeability and Dispensing Fee Act will provide that funding for drugs be at the level of the least expensive, interchangeable alternative. The problem with this approach in practice is the definition of "interchangeability" and implementation of this rule. Many persons with disabilities and serious illnesses require a more expensive alternative drug because of circumstances such as the following:

The person requires a longer-acting drug because of limited availability of an attendant or counsellor to assist him in taking the medication.

The person requires a more expensive alternative drug because of allergies or potential adverse drug reactions which may be associated with non-active components in the medication.

The person requires a more expensive alternative drug because of potential adverse interactions with other medication which he or she is taking.

Special authorization may be obtained in such situations, but the process is very slow and difficult now for consumers, and increased pressure will be placed on this system by stricter rules. For reasons indicated above, persons with disabilities will find needed medication unaffordable if they can only get payment for an interchangeable drug which does not really meet their needs.

The new legislation will also deregulate drug prices in Ontario, which creates a potential major problem for many persons with disabilities who have a limited ability to comparison-shop or negotiate prices with pharmacies. They and their families will, in many circumstances, have a more difficult time in obtaining essential medication unless safeguards are put in place.

**Mr Agostino:** I want to commend Ms Mallett and Mr Vella for an excellent presentation and for the tremendous work they have done in this community over the years in advocating and working on behalf of disabled people across Hamilton-Wentworth. It's well appreciated and recognized. I think you've made the case well.

We all recall the Common Sense Revolution and the document that swept the Tories to power. One line from that keeps sticking in my mind: "Aid for seniors and the disabled will not be cut"—will not be cut. That was their platform in regard to benefit changes. Still, 12,000 disabled across Ontario have today had their benefits reduced because they have not been moved to family benefits yet. A drafting error would've eliminated funding for about 100,000 disabled, had the opposition not jumped on it, and there are user fees for prescription drugs. We're now seeing an act, as you outlined well, that is going to give the minister unlimited power to do whatever he or she wants with that aspect of user fees without even having to come to the Legislature. We have seen a situation where the ongoing attack on the disabled community continues.

What options is a disabled individual going to be faced



with when it comes to having to choose between affording medication, sometimes a lot of medication, open-ended user fees that may be implemented, trying to meet those and the needs of shelter and housing and every other need they will have on limited income? What sort of options do you envision that someone receiving a disability benefit in Ontario will be faced with?

**Mr Vella:** I feel they will be in dire straits. I can give you some examples of people who have faced such problems. I know of one person who had been collecting unemployment insurance until October. When October came and his unemployment insurance ran out, he had to go on welfare for two months; this is the waiting period before family benefits kick in. This person, at the time of unemployment insurance, was earning about \$950 per month. Out of \$950 per month, because of that person's disability, he had to pay out of his own pocket for medications. The medication expenses monthly were about \$350. You take away \$350 from \$950, and that leaves that person \$600 to live on per month. This person is a disabled person, and during the welfare gap while waiting for family benefits, medication was covered through welfare. However, he was only receiving \$520 because of the reduction of welfare from \$630 to \$520.

**The Chair:** Excuse me, Mr Vella, I'm sorry to interrupt. I have to go to Mr Christopherson's time.

**Mr Christopherson:** I want to join Dominic in acknowledging the contribution that both Aznive and Sal have made to our community. It's good to see you here continuing the fight and the struggle.

I'm going to be very interested to hear my colleagues in the Legislature from the government back benches, and I say this with great respect, but particularly my colleagues from the Hamilton-Wentworth area, with regard to making the commitment you're looking for, that they will go back and talk to their caucus and their cabinet colleagues and make sure that anything that's in Bill 26, and you've already pointed out some things, that breaks the promise of not cutting benefits to the disabled and seniors is done and that they're successful.

1430

I really hope I hear that commitment today from them. I think you're entitled to it, the rest of the people of Hamilton are entitled to it and it's no more than asking that their commitment be met. When we have full public hearings like this, that's exactly what it's for.

It would seem to me the government has already broken that commitment in terms of the cuts its made in the areas you've talked about, with families that have disabled members and people who are caught in the transition, but as we speak to Bill 26 specifically, then I think those areas that clearly are a blatant violation of that promise and will detrimentally affect the quality of life and standard of living of physically challenged individuals in our community will not be allowed to stand, that indeed they would go back.

In the short time, if there is time to pose a question—there's not going to be. Then government members are next and I hope I hear that commitment from them and we'll keep the Hansard and they'll be accountable.

**Mrs Ross:** Hi, Aznive and Sal. I want to thank you

both for coming forward and making your presentation here today. I also want to tell you that the government is listening. We are concerned about your concerns and we will take them forward.

A lot of what I hear from you is fear, and you've said that yourselves, that you're afraid of what's in this bill. I just want to let you know that I'm sorry fearmongering is going on. You've said yourself that you've seen, and I'll use your quote, a drastic deterioration in health care over the last number of years.

One of the things we want to do is allow that restructuring process to take place in the hospitals. We want it come from the municipalities so that they'll tell us how they can best deliver those health care services because who knows health care better than the people who live and work in the community and have access to the people who require that service?

I'd like to ask you, in light of what's happening in Hamilton, and I'm sure you're aware of the restructuring process that's going forward, why would you object to that type of process?

**Ms Mallett:** On what you just said, in terms of who better knows than the hospital, the problem is that people are trying to make decisions based on dollars as opposed to based on what is the need and what is the quality, and hospitals are now also hiring substandard people, nurses are being deskilled and services are being changed to provided by attendants as opposed to RNs or RNAs or RPNs as they call them.

I know this. I live with it every day and I have seen in the last three months a major problem in the kinds of people who are going to be providing services to me, and I've had a crisis already as a result of it. They're trying to send in people who are not registered nurses to do what are medical things.

You're right, if you give the decision to the hospitals, they're going to make those decisions but again based on economics and not based on what's right. Unless we're in the loop and you hear from us and you hear from us what's going on and what might be wrong, you don't even know that.

**The Chair:** The half-hour has come to a close. I want to thank you both for coming forward and making your presentation to the committee today.

#### CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 3906

**The Chair:** May I please have the representative from CUPE Local 3906 come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or response from the three caucuses. I'd appreciate it if for the benefit of Hansard and committee members you'd introduce yourself at the beginning of the presentation.

**Ms Catherine Hudson:** My name is Catherine Hudson. I'm the president of the Canadian Union of Public Employees, Local 3906, which represents 1,500 teaching assistants and part-time instructors at McMaster



University.

I am pleased to have the opportunity to make this brief presentation on Bill 26 here in Hamilton. I would particularly like to thank the honourable Alvin Curling for making more than 360 hours of public hearings and debate on this important piece of legislation possible.

**Mr Young:** Less now; it's only 300.

*Interjections.*

**The Chair:** The presenter has the floor.

**Ms Hudson:** I believe this is my time. Thank you.

I'll be looking at this bill both in the overall context of the Conservative agenda for Ontario and more specifically at the results of this agenda at McMaster University.

The province of Ontario has until very recently existed as a community with a commitment to the public good of its citizens through the provision of public services by municipalities, universities, schools and hospitals. The Harris government is in the process of transforming this community of Ontario into Ontario Inc, a corporation with a commitment to the private good of only some of its members.

The tools being used by this government are those which are available only to those in their position of power: budgets and legislation. One of the first tools that was used to begin the transformation of Ontario from a community into a corporation was Bill 7, which became law early in November 1995. There were no public hearings on that large package of legislation except for those held by David Christopherson, Labour critic for the NDP. As I pointed out in my submission at those hearings, this unprecedented rollback of labour legislation weakened the job security of those who deliver public services. The path to privatization was being prepared.

Next came the fiscal and economic statement, the budget, of November 29. This hammer, which drove down transfer payments to the group now known as MUSH, appropriately enough, has now, with Bill 26, been handed over to those wounded sectors themselves, with an invitation to drive a spike into the heart of Ontario as a community.

This hammer accomplished more than one goal for a government set on privatizing Ontario. With this tool, the government effectively downloaded the so-called deficit crisis on to providers of public services. At the same stroke, the government was also downloading its own corporate agenda by withdrawing the funds necessary to provide public services. Thus they were paving the road to user fees and privatization. Now the government was well on its journey down the road to Ontario Inc.

Now we have before us the spike, Bill 26, the Savings and Restructuring Act. This piece of legislation which, like Bill 7, was not intended to be subject to extensive public hearings at all, purports to equip the public sectors with the tools they will need to carry out the agenda of the government as imposed on them by the budget. The tools, of course, are the hammer and spike chosen by the government and the intended use is clear.

Most obviously, Bill 26 will push municipalities to provide services on a cost-recovery basis. By cutting provincial financial assistance, municipalities are forced to either cut costs by reducing or eliminating services or to raise more revenue. Bill 26 provides them with greater

power to raise revenues through licensing fees, user fees and taxation.

When we consider the total effect of such a shift on average and low-income taxpayers, the regressive implications of user fees become very clear. Income taxes collected by the provincial government and transferred to municipalities are largely determined by a progressive, graduated system which draws more revenue from wealthy taxpayers who can afford it. In stark contrast, user fees apply as a flat tax on all users, regardless of their income or ability to pay. Of course the result will be that such fees will make important public services completely inaccessible to Ontarians with modest and low incomes.

1440

To go broader and deeper, the Ontario Unconditional Grants Act is being replaced with the Ontario Municipal Support Grants Act. Bill 26 will give the Minister of Municipal Affairs and Housing the power to decide what standards of service municipalities must meet as a condition of receiving provincial grants which are currently provided unconditionally.

Presumably, the minister could then insist on a cost basis that municipalities provide lower standards of service to their constituencies. The minister would be able to insist on user fees. The minister would also be able to demand that services be delivered in a particular way by contracting the work out or insisting on privatization.

If a lower tier of government opposes the contracting out or privatization of a particular service, the municipality could be penalized or forced to conform to the minister's wishes. Municipal councillors will either be forced to swim with the right-wing current or have a heavy price exacted on themselves and the constituencies they represent.

The providers of public services, hammered by the funding cuts, are now to pick up the hammer and drive a spike through the Ontario we once knew. The government is also claiming the power through orders in council to use those tools itself if the other groups are too squeamish.

The hammer has certainly been applied to the universities with massive funding cuts. One of the spikes handed on by the government to the universities was the ability to raise tuition fees. There is clear pressure on the universities to raise tuition the full 20%, further limiting access to university education based on income. Let us not deceive ourselves into thinking that this government will hesitate to provide further spikes to the universities to hammer into their constituencies.

Bill 26 provides the model of the sort of restructuring the government wants to see happen and a strong indication of its willingness to apply restructuring to the universities should those institutions fail to do business.

As Mr Snobelen, the Minister of Education, said in a recent exchange of letters with Professor Beiner of the University of Toronto: "Partnerships must be formed between institutions and the business and industrial sectors of our economy, wherein both can benefit from the research and knowledge generation which the partnership can support. Institutions must find alternate ways of doing business, such as technologically mediated instruc-



tion techniques, to reduce their high costs of doing business."

The implications are obvious. Universities are businesses that must serve the interest of business and operate as businesses. The government is prepared to not only tell Ontario's universities what can be researched, but also how it is to be taught.

There is talk of closing down not only individual courses and classes but entire departments, be they arts, humanities, engineering or business, that do not serve the interests of a rationalized Ontario Inc. Those courses that survive must operate in partnership with business and industry. What is researched, what is taught, what is learned will all be determined by a corporate agenda and taught in a corporate, businesslike fashion.

The government is also prepared to tell the universities what teaching methods are to be used: practical business methods such as technologically mediated instruction techniques. What does "technologically mediated instruction" mean in practice? It means learning from videotapes, with no human instructors available to answer questions and assist students with their learning. It means interacting with computers instead of professors. It means no highly educated experts with years of teaching and research experience are welcome in the classroom, because they cost too much. It means one more community in Ontario will be transformed into a corporation.

The impact of the Harris government funding cuts and the spikes of restructuring is now being faced by the members of my union, the teaching assistants and part-time instructors at McMaster. Right now, the introductory psychology course, with over 2,000 students enrolled in it, is being taught by a combination of video machines and 40 teaching assistants. McMaster University is now claiming it cannot afford these teaching assistants. We think it likely that many of them will be replaced by technologically mediated instruction techniques; for example, more VCRs. Apart from our concerns over lost jobs, we fear the impact on the quality of education of our community.

Even as I present to this committee, my union is negotiating for those very part-time instructors and the services they provide to McMaster University and the Hamilton community. I have just now walked over from the Connaught, where I am in mediation talks with the university. Part-time instructors are highly qualified educators who are hired on a per-course contract basis. That professor of history or poli-sci or mechanical engineering you took a course from at night last year was paid just over \$7,500 to teach from September to April, and she has no benefits. She's paid less than the graduate student teaching assistant whom she supervises.

When I return to mediation talks, in about 10 minutes, probably, I'll be sitting down to negotiate for professional educators who make it possible for McMaster to deliver its programs, who make university education available to working people in the Hamilton community, professional educators who in fact make a profit for the university because of a combination of extremely poor pay, a complete absence of benefits, and the university's willingness to threaten the quality of education by having the

largest first- and second-year classes in Ontario.

The university is revealing to us the face of Ontario Inc by offering part-time instructors no increase in pay, no benefits and a three-year contract. We've been told, "You have no rights." It would appear that the university, a public good in the community of Ontario, has seized the tools handed to it by the Conservative agenda. This agenda is facilitated by Bill 26, which legitimizes reduced services, higher tuition and the devaluation of providers of the public good.

As with the municipalities, schools and hospitals, it is neither necessary nor desirable to utilize the tools of Bill 26. In the particular case of the university, it is not necessary because part-time instructors profit both the university and the community. It is not desirable because the public good of access to university education will be diminished.

**1450**

In this presentation I have taken you on the journey which has been mapped out for the citizens of Ontario by the Harris government. A turning point in this journey is Bill 26. This so-called enabling legislation will indeed enable. It will enable the Conservative government to transform the community of Ontario, with its historical commitment to the public good of its citizens, into Ontario Inc, committed to fostering the private good of some of its members.

Ladies and gentlemen, just as the members of my union are at this moment at the ballot box rejecting the Mike Harris agenda, I urge you in the Legislature to reject Bill 26. Thank you.

**The Chair:** Thank you. We have a little more than three minutes per caucus for questions. We'll start with Mr Christopherson. Mr Silipo. Sorry.

**Mr Silipo:** Just quickly; I think Mr Christopherson may also have a question. Thank you for your comments. This is I think one of the few presentations which have brought to our attention the implications of this legislation on the post-secondary education system. I appreciate that. You've outlined very clearly those implications, certainly one of them being the increases in tuition fees, which is another way of the government simply shifting over to individuals, regardless of the ability to pay, the costs of, as you've described it, living in the new Ontario Inc.

I guess the one question I have for you is that, given the reality that at the end of the day the bill will be passed, we hope there will be at the very least some amendments. We'll wait to see what comes from the government. I wish I could say that the government is going to heed your call to reject the bill. I don't think that will happen. In light of that, what is it that you think we can do, beyond what's happening through these hearings, to impress upon the government that really the course of action it sets upon will not only radically change the province of Ontario as we know it, but will in fact result in the kind of mean and survival-of-the-fittest kind of society that you've described very much in your brief?

**Ms Hudson:** I think I'd be able to answer that if I knew who the government was listening to, because my group, my union members, may be among the very first



caught in the latter stages of negotiation, when this has come down, to see and experience and know what that hammer is going to feel like. But this is going to continue, obviously. So whether it's going to be a cumulative effect of many diverse voices from many groups or whether it's one particular sector that is going to catch the ear of the government, I think it remains to be seen.

**The Chair:** Just under a minute there, Mr Christopherson.

**Mr Christopherson:** Thank you very much, Catherine, for another excellent presentation. It's the second time I've heard you present on provincial matters and I continue to be more impressed each time. I think you've done an excellent job of outlining exactly the framework this government is operating within in terms of the decision-making and its objectives and who wins and who loses.

The only thing I might either add or accentuate is the fact that in addition to everything you say here, we also have the absurdity and, quite frankly, the insult to our collective intelligence of saying that while all of these things are going to happen, there will be a 30% tax cut. Under the current tax system, certainly—I don't know what plans they have to mitigate that—the wealthy will benefit much more, far more, from a 30% tax cut than the average working person, and even more so when we begin to look at the user fees, the proposed property tax increase that will also have to be there if local governments aren't going to decimate services and jack up user fees so high that they're out of reach of all but the most affluent in our society.

**The Chair:** Mr Christopherson, you're going to have to leave that as a statement. I apologize.

**Mr Christopherson:** That's fine.

**The Chair:** You just had a minute there. Thank you very much. Mr Young.

**Mr Young:** Just as an example—and I'm not saying you're doing this to us; I'm saying someone has done it to you, fearmongering about Bill 26. Did you know—well, I'm going to assume you know—that 140,000 new low-income people are going on the Ontario drug benefit plan in Bill 26? We don't hear much about that because it's not getting publicized as much.

But, you know, just about half of your presentation addresses education, and virtually all the issues you raised, I dare say all the issues you raised, are not in Bill 26. It's important to note that. With regard to your comments—

**Ms Hudson:** Would you like me to respond to that?

**Mr Young:** I'll give you a chance, yes. With regard to technologically mediated instruction—

**Ms Hudson:** There is going to be a question?

**Mr Young:** —what we're trying to do in education is address new technology so that people can learn in different ways. Some of it will be computers. Some of it will be on video from home, which will be a big advantage to disabled people and single parents and people on welfare. They'll be able to learn and get more training from home on the cable network.

One of the best examples, a fabulous example from your own university, is the MacWaTor project whereby McMaster, Waterloo and University of Toronto had

combined their engineering faculties to create the largest in Canada and one of the best in North America, maybe one of the best in the world, engineering schools using two-way video technology. It's a fantastic initiative: very, very progressive. We're very proud that's happening, and I don't want the government to take credit for it because the universities should take credit for that and they deserve it.

Also, your comments about business agenda: McMaster currently is doing applied research for businesses, and doing it very, very well, in telecommunications as well as some very progressive cancer research, and certainly no one's telling people what to study in the other courses.

Your comments on closing down arts, humanities, engineering and business schools I think are totally misplaced. What we're talking about is taking centres of excellence in universities that are already there, and colleges, and developing them and letting them blossom so that students can attend the best universities, the best schools in North America or the world, right here in Ontario, and that's what we're trying to do.

I'm sympathetic to your members' plight, and it's not easy. The average taxpayer in Ontario hasn't had a raise for seven years either. I think there's a spike in Ontario's heart, and that's the 17% of every tax dollar that goes to pay debt in Ontario. I'd like to ask you what you would suggest to us, how we can address that.

**Ms Hudson:** You want me to address the deficit problem?

**Mr Young:** I would like you to help us be part of the solution. We need your help, yes.

**Ms Hudson:** Well, since I'm here to talk about the university sector, I would say to you I'd be happy to address McMaster's problems if their books weren't closed and secret. Tell them to open their books. It's a public institution that has no accountability.

**Mr Young:** Well, as you know, they are not a public institution.

**Ms Hudson:** Public, private—

**Mr Young:** They are totally independent from government. But can you suggest to us, as a union member, how we can address these—

**The Chair:** Mr Young, perhaps she'll be able to suggest that to you in another forum, because your time for questioning is exhausted and I have to move to the opposition caucus. I'm sorry. Mr Phillips.

**Mr Phillips:** I don't think you're here for fearmongering. It was these people who ran on a platform of not increasing fees for seniors on drugs. They said there would be no new user fees on drugs, and as soon as they get elected they impose a fee on drugs that they said they wouldn't do. It was this group that said they would never touch health care, not a penny, and they're cutting a billion and a half dollars out of health care spending. It was this group that told students in this province that there would be a modest increase in tuition fees, and that in this document are increasing tuition fees for students by 20%.

**Mr Young:** There's nothing in that document—

**Mr Phillips:** Well, excuse me, but you have already told us that the document implements this; this document increases tuition fees for university students by 20%.



That's what your document says. And so I resent the government's saying that you are fearmongering. You are simply repeating the facts that they're playing out there.

My question to you really is this, because I think we see a government intent on introducing a wide variety of user fees. They've indicated they're very supportive of fees to use libraries for young people, and then they say, "We're happy to see maybe that people who can't afford it will go out and find a corporate sponsor so they can use it."

I'd like to get from you and your organization a broader sense of what the implications are as we move to an Ontario that, more and more, introduces user fees, often for those who can least afford it, so we can find \$5 billion to give a tax break to those who can most afford it. What kind of Ontario are we heading towards?

**Ms Hudson:** I think I will stay with my analysis that we're moving from the community to a corporation, from the community that had a traditional commitment to the public good to a corporation that's committed to the good of the private few.

1500

**Mr Phillips:** The government has said that the deficit is so urgent that we can't even wait for public hearings, we've got to move on it because it's so desperate. How does your membership feel when they realize the government is going to cut out \$8 billion of public spending and \$5 billion of that \$8 billion every year will go to a tax break? If you're making \$150,000 in this province, you're going to get a tax break of \$5,000 a year, you're going to take \$5,000 more home a year. How does your membership feel, as you head back in one minute to the table, that that is the fiscal plan of this government?

**Ms Hudson:** Clearly I don't think not only my membership but most people who are going to be paying for the tax cut for someone else are very happy about it. Currently my membership are engaged in an active resistance.

**The Chair:** Ms Hudson, unfortunately your half-hour has come to a close. I thank you for coming forward this afternoon and making a presentation to the committee.

#### BURLINGTON CHAMBER OF COMMERCE CITY OF BURLINGTON

**The Chair:** May I please have a representative from the Burlington Chamber of Commerce come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or responses from the three caucuses. I'd appreciate it you'd introduce yourselves and your organizations for the benefit of committee members and Hansard.

**Mr Scott McCammon:** Good afternoon. My name is Scott McCammon. I am the executive director of the Burlington Chamber of Commerce. Before I go any further in my presentation, I'd like to introduce Alderman Mike Wallace of the city of Burlington. The city was unable to get a presentation time here today, so in the spirit of the public and private sector cooperation talked

about in Bill 26, the chamber of commerce has asked the city to share our time. Because of this, my comments will be brief.

The Burlington Chamber of Commerce represents approximately 900 companies in the Burlington area. Our membership is extremely diverse, with companies ranging from the home-based entrepreneur to Maple Leaf Meats with well over 1,000 employees. However, because of the nature of business in Burlington—84% have 25 or fewer employees—our membership is also predominantly small business.

Regardless of the size of a company, though, the effect of overregulation, overtaxation and overgovernment can be the same. Our chamber of commerce sees Bill 26 as the necessary tool for the provincial government to get on with its mandate to dramatically restructure and reform government. With deficits averaging near \$10 billion annually over the past four years and an accumulated provincial debt of more than \$90 billion, it is clear that the Ontario government must—I repeat "must"—act quickly and decisively to reduce spending and control efficiencies.

Government can no longer afford to be all things to all people. The Burlington Chamber of Commerce believes strongly that the role of government in today's economy is to create a climate that will encourage people to go into business, to attract new jobs and investment and to help businesses grow. It's amazing to us that the words "profit" and "growth" have become dirty ones. Ontarians must realize that sustainability and profitability of the business community have a profoundly positive effect on the community generally.

We support Bill 26. It gives government at the provincial and local levels the ability to begin the restructuring efforts needed to improve the province's financial strength. It also sends a very strong message that Ontario wants to work with the private sector to create jobs and foster economic growth.

The Burlington Chamber of Commerce and the city of Burlington already have begun a relationship that allows the chamber of commerce to provide services previously done by the city. This eliminates duplication and it also reduces costs for the municipality. This is clearly the type of direction that is encouraged in Bill 26.

Because of the need to keep my comments brief, I would refer the committee back to the presentation made by the Ontario Chamber of Commerce at the Toronto hearings. Our chamber fully supports the positions and the amendments put forward at that time. Today in particular we would like to highlight our support for concerns over part XVII.1, giving municipalities general licensing powers. We feel the proposed amendment needs to be further clarified and defined to ensure that municipalities do not unfairly restrict businesses from operating and surviving.

Having said that, our chamber welcomes the increased responsibility and control being given to local governments. We have a very good relationship with local governments, including the city of Burlington. Our municipality deserves kudos. They have a strong track record for being fair, sympathetic and professional. Quite frankly, we feel, as the local chamber of commerce, it's



at the local level that we have the greatest amount of impact.

As stated, the Burlington Chamber of Commerce supports the broad direction being taken by the government through Bill 26. With \$1 million an hour being spent by the province to service the debt, it is clear that radical change is needed.

In his book *Canada at the Crossroads*, Michael Porter said:

"If the current trajectory continues, the standard of living of Canadians seems to be destined to fall behind. Yet there is nothing inevitable about this outcome; Canadians have in their hands the power to change it."

That book was written in 1991, when the interest payments on the debt amounted to 8% of provincial expenditures. As you well know, they're now at approximately 20%. Bill 26 gives the power to change, and while change can be frightening and challenging, in the province of Ontario it is absolutely necessary.

I appreciate the opportunity to make these comments.

**Mr Mike Wallace:** I would like to thank the chamber of commerce on behalf of the city for giving us this opportunity to share the time with them. As Scott has mentioned, we have worked closely with the chamber on a number of issues, really a partnership-type arrangement in a number of areas. This year the chamber is doing in conjunction with the city the business directory that the city used to produce at a cost saving to everyone, and hopefully a better product will be on the street.

I would like to thank the staff of the city of Burlington, who worked really hard, a lot of overtime hours, to get this position paper together. The time frame was quite tight and they've done an excellent job.

One thing I'd like to point out is that this is not an approved position of the city of Burlington as yet. We have a city council meeting on Monday night. The committee I am the chair of is the committee to review government structure, which has taken on a number of roles this year, looking at GTA and the number of aldermen per ward, and this issue also came on the table. This has been approved by the committee that I am chair of and will be going to council for full approval on Monday night.

Instead of just reading it to you, since you all have a copy—and I know you haven't read it yet but I'm sure you will—what I would like to do is just go through and speak to it, based on the headings that are there.

**Statement of support:** In general, the city of Burlington is in support of the changes that Bill 26 proposes in relation to municipalities. Just to let you know, there's an attachment here called *For the Record*. It gives a little bit of history of innovation that the city of Burlington has taken on over the last couple of years. We think that we're a mature enough group as a political body, as a municipality, as a government, to make the tough decisions and to implement change when change is necessary.

In regard to the statement of support, however, what we're looking for and what I think the province is looking for is further independence from the province, the municipality and the ministerial sector. Our goal would be to be self-sustaining and that we would not need any funding from the province eventually. To that end, we're

certainly encouraged by some of the things that are happening.

1510

**Freedom to act:** Really what we're talking about in this section is that it's nice to give us the power to do some things, to take control over our own municipality and our own affairs, but please, please don't regulate us to death. It's like buying a house. It looks good from the street, but the plumbing and electrical are no good and you can't live there. It's not going to do anybody any good and we won't be interested in it.

We're somewhat concerned that there is quite a bit of empty space in terms of the ability of the minister to place regulations. We haven't seen any of those and we're not sure what the effect will be, so what we're asking under that section is, do not overregulate us. You're headed in the right direction. When you do propose regulations, make sure you get the municipalities involved, make sure we can live with them and that they make sense to us as well as yourselves.

Municipalities to be recognized as independent governments: Often the feeling has been that we're not constitutionally recognized, that municipalities are really children of the province and we feel the municipality—speaking for Burlington—is mature enough politically in its professionalism and in terms of being able to provide efficient services and always looking for improvement that we don't need to be the child of the province any more.

We have two suggestions at the bottom of the page that would give some support to that in terms of the act, schedule M, maybe in the preamble or somewhere. The two statements are (1) authorize local governments to exercise their powers as if they were a separate level of government and (2) provide more autonomy to municipalities with reduced provincial participation.

This is to clearly define the intent of what you're trying to do in schedule M, because there was some confusion, when we were looking at the act, in that you were telling us you were going to free us up to do more and then it looked like you were going to regulate us to death. We thought if we could add a couple of statements in the preamble, that would certainly give the intent of what you are trying to do. We would like to see that added if possible.

With the addition of those in the preamble we feel that there is a possibility of reducing your conditions and standards on grants and reducing the scope of the authority of the minister in favour of a general framework by which municipalities are to act, to perform, to provide services.

We have real concern about the efficiency reports aspects of this section. We feel, and I think rightly so, that the taxpayers of Burlington will be paying the bill for the municipality and they have the common sense and the ability to determine whether we're providing service efficiently and effectively.

We don't see any value in an efficiency report from the minister, and we also are concerned about how arbitrary it could be that Burlington is requested for an efficiency report on a particular item or on an area of service, or on our services completely and the costs associated with that. We are not sure what the reper-



cussions would be if the efficiency report wasn't to the province's satisfaction and then Oakville did not have to do it. There's no consistency there and we really don't believe you need an efficiency report.

The basic rule is, if you're not paying for us, you don't get a say. I think that's fair and I think that's how it works pretty well everywhere else. We're reducing our income from the provincial coffers and we feel we're mature enough, able, capable, and have the professional staff and the professional, political leadership to be able to make decisions that will be appropriate for this city. If we're not, they'll kick us out and change us at the next election. I think that's where the decision should be left, with the citizens of Burlington who are paying the property tax.

Opportunity for reassessment of relevant service providers: very important to us in Burlington. We've done some changes recently between the region of Halton and ourselves in terms of who's providing—in this case it was garbage services, and we have chosen to regionalize it. We believe this is a very good step that allows us to determine, with the consent of the local taxpayer who is paying the bill, who should be providing the service and at what level.

The one concern we have is that there is a section in there that would still allow the province to determine which powers are transferrable. We feel this is not necessary, that we can negotiate with local municipalities, with the region, to do that for us. I think every service should be on the table. For every service we can provide better—in a different manner, with a coalition of municipalities, through a regional government or locally—we should have the right to be able to determine that and the province should honour that responsibility.

The next section is, "Freedom to Apply User Fees to be Cautiously Considered." There was quite a bit of discussion about this. There is lots of talk going around in the press about a poll tax and a gasoline tax and so on. The opinion we had from our legal department was that you couldn't do a gasoline tax even with this legislation, and we took their word for that.

We have some concerns. We don't feel that the city will be looking at user fees to replace the income we're losing from the province. The city of Burlington is looking at a 32.4% decrease in our revenue. We had money from the province of \$8.5 million in 1995; we're looking at \$5.7 million in 1996. The committee, as we met, discussed the issue of whether we could use user fees to recoup this loss, and we felt obviously not. We have a commitment at the city of Burlington that we would not be raising taxes due to restructuring of government, and we feel this is part of that.

The discussion was really about the opportunity to have a universal—it's called a poll tax, where whether or not you're using the service, you pay the levy. Our feeling was that that was not something Burlington would be rushing out to do. We didn't think it was appropriate.

We appreciate that it's in there that we have the ability to make changes in terms of taxation and user fees, but we don't see it as the answer to all our problems and we will not be using it to that end. That was the direction from the committee.

One area that is of particular interest to our municipal-

ity is the request for amendments to the Fire Departments Act. There are five criteria to assist the arbitration of labour disputes. We have set out amendments we would like to see included, the actual wording, and I'm going to read those for you:

Criterion 1: "The employer's ability to pay in light of its fiscal situation." We would like to see included "and without any increase in taxes." The arbitrator, as I understand, has had the ability in the past to say, "Ability to pay is one thing, and you do have the ability to pay because you can always increase taxes," so we would like that ability to the arbitrator to be limited.

Criterion 2: "The extent to which services may have to be reduced, if the current funding levels"—and we would add "and taxation levels"—"are not increased." We would like to add: "The board of arbitration shall accept as final and conclusive any statement by the employer as to the financial record or condition as verified by the employer's auditor or senior financial officer responsible for the preparation of the employer's financial statement."

We're saying we do not want the arbitrator to determine service levels for us in the city of Burlington. They have to respect that we have decided that we are going to provide X level of service, and when we're in salary negotiations that has to be respected, and any deviation from that they cannot determine. If we decide we want to keep that level of service, they have to keep that in mind when they're ruling on the debate.

1520

Criterion 4: "A comparison, as between the employees and other comparable employees in the broader public sector"—and we would add "or in the private sector"—"of the terms and conditions of employment." I think it's only fair that we compare our public employees not only to other public employees within the province and within the area, but a fair comparison to what the wage settlements are for the private sector in the area should also be considered.

The final thing we'd like to see included is: "A board of arbitration shall not award a wage increase that exceeds the percentage increase in wages negotiated by another bargaining unit of the employer or the municipality in a similar or substantially similar time period. This percentage wage increase is inclusive of non-union employee groups."

The simple concept is this: If we've negotiated with one union for a 3% increase and they have accepted that, we don't think that through arbitration the fire department can go above that. Period.

That's basically what we're saying, that the fire department is municipal employees, as is our clerks department, as is our public works department, as is our recreation department, and we're trying to treat each employee group as fairly as possible. If we've been able to come to an agreement on wage increases in one area, it is not fair to those employees that through an arbitrator another group of employees gets a higher wage increase, and we would like to see that included.

The final thing we want to touch on, just briefly, is that under boards and conservation authorities there are some changes allowing the municipality to determine their existence and their function and so on, and we



would like to see the library board included in that. I believe we're under the understanding that it's got a one-year reprieve, but we don't see what the one year will do; we would like to see it included now so we can go on with the discussions about what we would like to see done in that area.

The final thing is that the conservation authorities, it looks like to us, have the ability to determine a levy for the work they're doing, without any consultation with the municipality, and pass it on through the municipal tax base without us having any question about it. They could pass that cost on to the taxpayer unilaterally without any discussion from the city, and we would like to see the municipalities be involved in that area.

To conclude, Burlington city council appreciates the opportunity to submit the comments. We will be approving this on Monday, hopefully. If there are any changes, they will be highlighted and that will be sent to you. That concludes my statement.

**Mr Ernie Hardeman (Oxford):** Good afternoon, gentlemen. I appreciate in both your presentations that you recognized the need to restructure and retool the way we do government at all levels, and also that you recognized that the powers and authorities granted to municipalities are not a bargaining chip to compensate for the reduction in funding. In fact, the reduction in funding is a reality, and if these tools were not handed, the reduction of funding would still be there because the people of Ontario don't have the money. It's that simple.

In your presentation, when you talk about the user fees and the minister's ability to regulate and so forth, you suggest that should be taken away. We've had a lot of presentations from deputants who have a concern that the local politicians will not be accountable or will not be using these powers correctly. You suggest that the province should recognize municipalities as a level of government as opposed to a creature of the province. Then under "Freedom to Apply User Fees," you suggest that you want the province to be cautious with what we allow.

**Mr Wallace:** I can clarify that for you. Under being cautious on user fees, the feeling of the committee was that we didn't want to come here and let you think we were terribly excited, that we were going to rush out and apply user fees to sidewalk snowplowing and snowplowing and everything else, and that you should not view this carrot of user fees as a replacement for the funding we're losing. We're telling you that we are looking at service cuts based on what the budget looks like. We appreciate the opportunity and we think we deserve the ability to do user fees, but we're trying to get the message to you: Don't expect us to be replacing your decreased—

**Mr Hardeman:** The other area that concerns you—you mentioned the issue of efficiency reporting. As you read the act you would recognize it also includes block funding. Conditions will be removed on a number of items of funding, such as the road funding, and in the future there may be less of that type of reporting. Would it not seem appropriate to have a statement in the act that says you will be obliged to provide this type of funding when the minister requests, if it were to replace other types of reporting?

**Mr Wallace:** Right now we are required to give you

financial statements and we feel that's enough. We don't know what an efficiency report is. We haven't seen it. We don't know what the criteria are. And we do not know what the consequences would be if you decided we were providing a level of service that was too high or too low, based on an efficiency report. We think that from the financial statement you can see how we're spending the money, and that should be sufficient.

**Mr Phillips:** I want to start by talking about your negotiations with your fire department and what your proposal will do. I assume you have a good relationship. Here's how I think the collective bargaining would work with them under your proposal. First, you would say to them, "This is our fiscal situation and there'll be no change in taxes." Second: "You have no right to look at our fiscal situation. We're just going to give you the fiscal situation, our audit statements. Trust us. That's it. You have no right to go beyond that." That's your criterion 2. Then on 4, if you're able to get an agreement with part of your employees of, let's say, a 4% rollback in wages, you would then say to your fire department: "There's the ceiling. The most you will get will be a 4% rollback." Some people earlier today called this the Harris wage control act. It's now looking like the Harris wage rollback act.

If you were the fire department in Burlington heading into collective bargaining with the city, what possible chance do you have when you've got these rules as you've laid them out?

**Mr Wallace:** First of all, to respond to the rollback issue, I believe the wording is "shall not award a wage increase." My interpretation of that is that if the fire department could demonstrate, based on other factors, that the work they do compared to other employees in the marketplace who got wage increases, either firemen or other occupations, that would certainly still be on the table for them. What we're saying in that portion is that if we were negotiating and we got 4% from other worker groups as an increase, they're not the benchmark for those wage increases.

The other thing is that I don't see where the problem is with having our audited financial statement as—I don't know whether you're implying that it's incorrect, inaccurate or misleading, but we feel it's a clear picture of the financial aspects of the city and it's fair to everyone and it's understandable by anyone in that position, and we can go from there.

1530

**Mr Silipo:** This is one of the points I wanted to pursue as well. I look at your amendments, and in fairness, others who have come before us have suggested that on the arbitration pieces of this, those same or similar amendments ought to be made so as to make the sections that are in the legislation even tighter than they are. I guess I would really ask you, why not then simply say the wage increase will be whatever the municipality will deem it to be? What's the difference between what you're proposing and that? What's left for an arbitrator to determine?

**Mr Wallace:** In most cases, 99% of the time, the reality is that we hope to come to an agreement with our firefighters and all other union groups and non-union



staff on wages before it gets to arbitration. We would like a settlement long before that. I think we can accomplish that, in most cases, in the city of Burlington. I think the city has a fairly good history in terms of those groups.

**Mr Silipo:** Then why do you need these draconian measures in here, if you're confident and if your history has been that you can get those agreements?

**Mr Wallace:** We feel that this makes it fair to all employee groups within the city.

**Mr Silipo:** Explain to me a little bit more why it makes it fair for an arbitrator to basically have no choice but to impose the wage settlement that you as a city would say, and as the employer would say, "This is what we can afford; this is what it should be and this is it; that's the end of the discussion"? What's left for an arbitrator to determine in the balancing act that he or she is trying to perform?

**Mr Wallace:** What we're trying to do here is to give some parameters to our negotiating. As you know, we are under constraints and this is what's fair to all employees of the city, to the municipality. We get into difficulties, as I assume you can attest to, that if one employee union group gets a 2% increase, and through interest arbitration, which is not available necessarily to all the groups within the municipality, the firefighters get 7%.

**Mr Silipo:** Come on. That's just not—

**The Chair:** Thank you, Mr McCammon and Mr Wallace.

**Mr Wallace:** We have had in the city of Burlington larger increases.

**The Chair:** Perhaps you gentlemen can continue this at another time. The half-hour time limit has been exhausted. I want to thank you both for coming forward and making your presentation to the committee today.

Just a quick announcement before we go further: I'd like to be able to leave that door open because, frankly, it's driving everybody crazy and it's pretty disconcerting to presenters as it opens and shuts and makes quite a loud bang. If we could leave it open, I'd appreciate it. If you do go out to have a conversation, please take it away from the door and allow us to keep it open so we're undisturbed in here. I would appreciate your cooperation with that.

#### ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 8

**The Chair:** May I please have a representative from the Ontario Secondary School Teachers' Federation, District 8, come forward.

**Mr Silipo:** While they're coming up, could I just ask for your help with something. There's been some mention in the question and answers about amendments. I think from the government side we've had some indication of their willingness to look at some amendments. Could we get some indication from Mr Sampson or anyone else from the government side who may be able to tell us when we may see some of those government amendments?

**The Chair:** Mr Sampson, would you like to respond to that?

**Mr Sampson:** We're listening to the deputants as they

come forward and the depth and breadth of the amendments will be determined when we've had a chance to listen to people. We've got another week of hearings in another part of Ontario. I think the people in northern Ontario—that's the area we'll be going—have a right and entitlement to have some time with this committee before we start to cast amendments.

**Mr Phillips:** They'll all be done over that weekend.

**Mr Sampson:** My guess is that the amendments will come forward when we have a chance to review the document in the following week.

**Mr Silipo:** I would just lodge the point with the committee members, perhaps for them to pursue it with whoever is giving them direction here, that it certainly would be helpful, it seems to me, to have some indication of some of those amendments.

I'm sure if some of those amendments meet some of the concerns of people appearing before the committee, it would certainly be useful. The government continues to tell us that had this bill been passed before Christmas, they would have been prepared to make some amendments, so they must surely know already what kinds of amendments they're looking at. I think it would be useful to start to see some of those amendments before the hearings conclude.

**The Chair:** I'll leave that thought with Mr Sampson as a very strict concern of yours, Mr Silipo.

Thank you, ladies and gentlemen, for coming forward this afternoon to make a presentation. You have half an hour to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd all take the time at the beginning of your presentation to introduce yourselves for the benefit of committee members and Hansard.

**Mr Jim Douglas:** Good evening. My name is Jim Douglas. I'm chairing the delegation from the Ontario Secondary School Teachers' Federation, District 8. On my right is Bev Wilson, also an education employee in Hamilton. Betty Ann Bushel is to my left and Rick Kowalchuck to my far left.

The question we were asked when we asked to get on the agenda was, why would educators want to be here for the hearings for Bill 26? We'll start from there: Why are educators here?

With the demise of so many of our social institutions, it has fallen on educators, more than ever before, to teach our children more than academics. All school curricula today are centred around concepts of good planning, clearly stated goals, sound decision-making based on solid understanding and knowledge, strong adherence to the concepts of fairness, and above all a commitment to principles of democracy and civil rights which have bestowed upon Canada and Ontario their status as exceptional places to live and raise our children.

We are here because so much of Bill 26 is contrary to what we teach in our classrooms and expect of our students, the future citizens of this province.

Again and again throughout the bill, actions are suggested that appear to be based on misconceptions of how our institutions work, suggesting a serious lack of



knowledge or a carefully disguised attempt to get our citizens looking one way while their society is radically changed in a direction that is not in their interests.

If clearly stated goals are lacking, so is any commitment to the principles of democracy and fairness. Throughout Bill 26 there is a consistent current of arbitrary power, replacing democratic safeguards, and it dictates subverting consultation.

**Ms Betty Ann Bushel:** One of the responsibilities that we as educators take most seriously is our responsibility to prepare our students to become knowledgeable, active, informed citizens. In Hamilton, as in other urban areas, students are experiencing participatory democracy for the first time in their lives. Many of our students are. The processes used by this government in attempting to bulldoze through this massive piece of legislation and others, such as Bill 7, are an embarrassment to any educator who is proud of this province's democratic tradition.

At this point I would like to express our gratitude to the opposition, especially to Mr Curling, for convincing this government that these committee hearings had to be held. It's so very unfortunate that the government made it clear that they planned to bypass this process and to limit the opportunity for the opposition parties to debate the bill.

We teach our young people that in a democracy the opposition parties have a clearly defined role. They serve three specific functions. First, they restrain the party in power by examining its proposals. They may support the government bills when convinced that such measures will benefit the province. Finally, when the opposition parties believe that a bill could be improved, they will criticize the measure in an effort to have the government reconsider, drop the bill, make amendments. These are the things we teach.

Totalitarian governments, of course, avoid examination and criticisms quite easily by simply not allowing any opposition. When the citizens of Ontario see a government that continues to take active measures to avoid criticism and examination, we have to begin to worry about the advent of totalitarianism in this province. This government is providing a very negative model for our youth, and our youth are the future of this province. The lesson from the Harris government at this point in time would appear to be that might is right.

1540

There are many aspects of this bill that are undemocratic. Some, in fact, violate the traditions that Canadians have come to expect. This begs a number of questions:

Why would a democratic government want the right to collect, use and disclose personal medical information?

Why does this government need to expand the power to refuse access to records?

Is it appropriate for a democratic government to place itself above the law by enacting a bill that will reverse court decisions, in particular one that states that "the government must be seen to be obedient to the law"?

Why does this government need to enact legislation to bypass various review panels and appeals boards?

Why, throughout this bill, is more and more power given directly to ministers while ensuring that they are protected from any legal liability for their actions and

decisions?

Why would this government give municipal government the right to dissolve a democratically elected school board whose members are elected directly to be responsible for education, whose platform in that election is their attitude and their policies about education?

Municipalities could stand in the place of the dissolved or changed board. If in fact that is the intent of this government, then you should say so, so that everyone clearly understands where we all stand. If these initiatives are intended to facilitate the introduction of privatization measures and contracting out, then that also must be clearly stated. As citizens of Ontario, we should know your agenda and we should be able to make judgements about the course that you are truly embarked upon.

We question the wisdom of these reforms. Unenlightened municipal councils, impatient at the fiscal autonomy of school boards and the obligation of municipal councils to pass on unamended the school board's mill rate, might be very tempted to dissolve a board and place it under the wing of a committee or council. This would be a grave error.

Our locally elected school boards have served us well. The architects of Ontario public life, in the early years of our province, had great foresight when they designed boards whose sole purpose was to govern local education and who had the powers, in conjunction with the province, to raise the funds necessary to do the job required in that locality. Such a structure has provided a solid local base for public education across this province. This structure must not be abandoned lightly in the name of short-term fiscal expediency.

**Ms Bev Wilson:** To go back to the question, is it appropriate for a democratic government to place itself above the law, a law which governs other employers?

Schedule L suspends the provisions of the Pension Benefits Act governing the windup of the public service and OPSEU pension plans. These changes facilitate privatization and downsizing by stripping public employees of pension rights they would normally have under the law. Cabinet becomes the supreme authority over the windup of the pension plans of government employees. The government exempts itself from the normal obligation of an employer during a mass layoff.

The prohibition sections of section L place the government above the reach of the law if it chooses to repudiate its obligations. It is exempted from proceedings.

The government will be in a position of having snatched both jobs and pension entitlements from Ontario citizens. The whole of section L represents an irresponsible abuse of authority and it should be removed in its entirety from Bill 26.

Amendments to the Pay Equity Act are unjustified. They eliminate the proxy method of redressing discriminatory wage practices. This is an unjustifiable and retrograde step. Women are shouldering a major share of the government cuts which have been previously announced; they will now be deprived also of equitable pay. Women are double victims of these government policies. Schedule J violates all standards of fairness and of fundamental justice. It should be withdrawn.

**Mr Douglas:** Regarding the amendments to various



statutes with regard to interest arbitration, the premise of the amendments contained in schedule Q to the School Boards and Teachers Collective Negotiations Act governing arbitrators is that education costs in Ontario are unjustifiably high and that therefore arbitrators must be instructed to keep compensation settlements low.

Let's look closely at this premise. The November 29 economic statement indicated that the Ontario average expenditure was 10% higher than that of other provinces, creating a supposed overexpenditure of \$1.3 billion. The data used pertained to the 1994-95 school year and contained both private and public expenditure. There was also a serious peculiarity in the data. Although the expenditure included the funding of kindergarten, the kindergarten enrolment figures were not factored in. As the kindergarten enrolment in this province was approximately 100,000 pupils, the per-pupil expenditure figure was raised considerably. This adds to the illusion of excessive expenditure levels.

OSSTF has received the latest data from StatsCan for per-pupil expenditure in 1995-96; they show a different picture from those quoted by Mr Eves. For all provinces and territories, we are comparing similar data. Expenditure for private schools has been removed where possible to do so. We've put the chart in front of you so that you can see the data for yourselves.

This data indicate that Ontario ranks sixth in level of pupil expenditure, after the territories and three provinces. Ontario, at \$6,961, is 2.4% above the Canadian average of \$6,796. Two years earlier, it must be noted, the Ontario per-pupil expenditure was \$7,490. If Ontario is excluded from the national average, as the Treasurer seems to have done in his calculation, then the Ontario average is 4.15% above the Canadian average. As Ontario has the highest per-capita personal income in the nation, our per-pupil expenditure level is not by any means out of proportion.

I would add to that, with two of us being educators in the field of English as a second language, that we are dealing with certain situations in this province that are not typical and not even seen in many of the other areas of the country.

Other data from the United States indicate that Ontario ranks in 29th place compared to American states. Ontario's per-pupil expenditure is US\$300 below the US average and below all of the New England, mideastern and midwestern states, and those are our nearest competitors.

There is only one conclusion possible: Ontario's education expenditure is not excessive. The Treasurer is creating a myth of overexpenditure to justify the budget-cutting measures that are supported by Bill 26. This expenditure has been dropping for several years, thanks to measures like the social contract. As \$400 million was removed from the operating grant base by the social contract, the economic statement cuts add another \$400-million reduction. The operating grant has been cut from \$3.8 billion to \$3 billion, a reduction of over 20% in two years.

The history of recent salary settlements in education shows that salaries, reflecting the cuts indicated above, have either remained frozen or dropped. Younger teachers

have been especially hard hit by the social contract, which froze annual increments. Workloads have increased and hundreds of millions of dollars in pension offsets have already been returned to the province.

Our local situation further highlights the facts of funding public education. The first tabling of the 1996 budget for the Hamilton Board of Education, as reported in the Hamilton Spectator, shows that to maintain the status quo will result in a \$26-million operating deficit because of provincial grant reduction and the pooling of assessments with the Catholic system.

Let us clearly understand that the 1995 status quo includes a reduction in teachers of 8%, in office and clerical staff of 10% and in caretaking staff of 15%. Education workers are in their third year of a wage freeze and have seen social contract days on top of that.

#### 1550

This translates into a 17% local rate increase or more cuts. The current government has of course encouraged the latter, but it is here, when the magnitude of this financial shortfall is imposed on the realities of operating our education system, that the questions about the government's understanding of the system or of its motives arise.

Our schools operate from September until June. That is a practical reality. This means that in the real world any implementation of service cuts must be loaded into the last four months of the year. To quote one of our local superintendents of education, the \$26 million translates into a layoff of 1,650 teachers, more than the entire staff of our elementary schools.

Is this just ignorance or does the government have some other agenda it's not willing to share with the citizens of this province?

There's no need to instruct arbitrators in the world of education to further bias their decisions in favour of employers. Political interference in criminal law is intolerable. Asking arbitrators to put the Common Sense Revolution ahead of fairness, equity and justice in contract law is no less intolerable. To retain the confidence of those whose economic circumstances are vitally affected by their decisions, arbitrators must be seen to be absolutely neutral. If they lose their autonomy and are seen to be acting as agents of the government or the employer, they lose their effectiveness.

The impact of the new guidelines for arbitrators would be significant.

Paragraph 2 of the criteria requires arbitrators to consider the "extent to which services may have to be reduced, if the current funding levels are not increased." Arbitrators heeding this section would take on the powers that democratically elected and accountable boards of education normally exercise in deciding the appropriate level of service that will be delivered. No arbitrator should venture anywhere near this essential area of board jurisdiction, and to instruct them to do so again suggests that this government has an agenda it is unwilling to openly share with Ontarians.

Paragraph 5 is equally disturbing, requiring that an arbitrator consider the "employer's need for qualified employees." What possible justification is there for an arbitrator's intrusion into an area that has been estab-



lished through careful, sometimes regulated, practice that relates the level and type of qualifications to the type of service delivered? OSSTF is convinced that no arbitrator would willingly take on this responsibility, nor should they be asked to do so.

**Ms Bushel:** Before inviting questions, I would like to make you aware that this is the first time I have come to such a venue without having read all of the bill, cross-referenced all of it and felt that I had a good knowledge of what was involved in the legislation and all the other dominoes that would fall because of it. Of course, I have never seen a piece of legislation that affected 44 other bills. I have not been able to do, nor have any of us been able to do, the homework that we feel should have been done. For us it was an impossible job.

Having said that, I thank you for giving us this opportunity to express our concerns and we'll take our chances if you do have questions. We'll do our best.

**The Chair:** We have a little under four minutes for questions. We'll start off with the opposition caucus.

**Mr Agostino:** First of all, I want to thank the presenters for an excellent presentation, clearly outlining the faults in the bill as they apply to education. I think you've made an excellent point in regard to the message we're sending to students and to young people across the province on what democracy's all about and what a government can do and how dangerous a government can be once it has a majority government of this size if it's not going to listen to the people across this province. I think it's a lousy example to send to young people.

We're all familiar with the Common Sense Revolution, of course. Let me quote: "Classroom funding for education will be guaranteed." That was the cornerstone of the commitment. Health care, classroom, police, they were all going to be guaranteed that they were not going to be affected, and we've seen those betrayals every single day so far.

You made an excellent point in regard to school boards and how they're now operating in comparison to municipal councils taking over. I tell you, I had the opportunity to serve seven years on a school board, I've served seven years on municipal council, and clearly I understand the difference between the roles, the functions, the politics that are involved at a council level that are not involved at a school board level—I know in this region—and the significant difference in how the two operate and how they should operate.

Your concerns in regard to school boards being taken over by municipalities I think are well-founded. The government members are going to tell you they're going to protect school boards by regulation, that they're going to protect police services boards by regulations, but I think you should remember that a regulation can be changed by a stroke of a pen in a cabinet meeting, without any public consultation, without any public debate, without any opportunity for what you're doing today. That is the protection that school boards, police boards and others would have if this government protects them by regulation rather than legislation. That is significant and I think you should be well aware of that.

Just a question in a general sense: What do you see as sort of the immediate impact in the classroom for the students, for the average person out there who has a son

or daughter or child in school today, once these cuts take effect and a new budget year is set? What do you see as that immediate impact in the classroom and what price will the kids pay as a result of these cuts?

**Ms Bushel:** If you want the answer to that, we'd have to have a full day. Those parents will see an impact. Their teachers do not have the same time to spend with each individual kid. We have already seen an increase in class size. With that comes increase in stress. At the same time, there is just an unbelievable increase in the adverse conditions our children live under. The number of disadvantaged, the severity of those disadvantages, the kids who come to school and sit there tensely, staring off into space because both parents have been laid off, one's about to be laid off, those are very real situations. That is a human being sitting in a classroom of 25 or 30 in a very volatile situation and there will never be just one. The energy that takes from a teacher affects all the students. The negative feelings the student is giving off affects all of them. And that's only the most obvious.

**Mr Phillips:** The changes in arbitration are enormous. I think the playing field was a bit like that, and it's like that now. My question really is this, and I'll try and make it very brief: My concern is that if I'm a school board, I see very little sense in negotiating with you. I would be trying to get to arbitration. There is only one route to arbitration, unfortunately, in education: There has to be a labour disruption. When I say "unfortunately," that's the route it takes. My worry is that by taking away the level playing field, I think one side has an interest in having arbitration with no real negotiation. What do you think the impact will be just in terms of the labour relations between school boards and the teacher organizations as a result of the change in the arbitration process?

**Mr Douglas:** These are the realities I think we'll be facing if this legislation proceeds as it is written. There will be virtually no reason for a school board to sit down and bargain in good faith at all. You will probably begin to—well, we shouldn't get too carried away, but if you know you're not going to get a fair shake when you sit down, you're not going to sit down. That will not lead to more harmonious relations in the province. It will certainly lead to more disruptions in the classroom and, generally speaking, it will lead to a general deterioration within the classrooms right across the province.

**Mr Silipo:** I want to pursue a couple of points. Thank you for your presentation. Thank you in particular for, within that presentation, attacking one of the myths that the government has tried to perpetuate, that we have an overexpenditure of funds in education, pointing out that on a true comparison between this jurisdiction and others, we're really not spending that much. The cuts, the \$400 million this year—we have to stress "this year" because we don't know next year. We can only assume, on the basis of the government's record so far, that there will be further cuts next year. We agree with you that it's going to be difficult, if not impossible, to find \$400 million without affecting classroom funding, despite the pledge that the government made during the election that it would protect classroom funding.

One of the things we continue to hear from the govern-



ment as a way of justifying what it's doing is that—the position kind of varies a little bit, but it's essentially one of a couple of positions. It's either, "We consulted during the election and therefore we don't need to consult; we have a mandate, we can do what we think we need to do," or "There's such a crisis out there that we don't have the time to have the luxury of consulting and discussing."

1600

I think the other thing that I appreciated very much in your presentation and would ask you to comment any more that you want to on this is of reminding of us that in effect we're not talking here about something that's a luxury. We're talking about a process that is part of the democratic process of government that we have in this province and that when that disappears, then not only is the government able to use its power to put itself above the law, as it's doing in the case of the pensions for public service employees, but it's also then able to discriminate against the lowest-paid group of women, as it is doing by removing the proxy pay equity provisions, as well as introducing wage controls by the back door, as it's doing with the arbitration changes.

Again, I just really want to stress the point that you made about what kind of lesson is that to our young people about the way in which the democratic process functions in this province.

**Ms Bushel:** I was just going to say, with two of us who teach immigrant, refugee newcomers to this province, that is the reality. I've participated in some of the federal government hearings into our immigration numbers and ended up convinced that this will not be a viable country without immigration, so we accept that.

Dealing with students who come from totalitarian states, listening to their stories, learning how their governments operate and then watching a government here trying to bypass the process, trying to rule by regulation rather than use the parliamentary procedure that's established, is frightening for our children and it is frightening for me.

**Mr Young:** Measuring the amount of money spent on education is one thing, and I guess the debate'll go back and forth etc, although I have concerns about your comparisons to the American states because there are major cultural differences in education. For instance, I notice New Jersey is number one, but they have police officers marching the halls and they have metal detectors. There are cultural differences that make a difference. What we want to measure in education is outcomes. We want to measure what children are learning and how well they learn to think, how well they can read and write and how well they understand mathematics and computers. So that's what we're wanting to do.

You quote from the Hamilton Spectator that to maintain the status quo will result in a \$26-million operating deficit. The status quo is not an option. We had a democratic election on June 8. We won 82 out of 130 seats, which in a multiparty system is a major win, a major majority, and we were elected to do a job.

You made a comment that much of Bill 26 is contrary to what we teach our children in the classrooms. What I hope you're teaching our children in the classroom is the

fundament of democracy, that governments are elected to create law, to make law according to the will of the majority. I hope that's what you're teaching our children. I'll tell you my concern. On Wednesday, a seven-year-old boy in Etobicoke was sent home with a political message in his lunch-box from a teacher and from the teachers' union which said, "Cuts hurt kids," which I think is totally inappropriate. That's the kind of thing they do in Cuba and other totalitarian governments. Do you agree—

*Interjections.*

**The Chair:** Order.

**Mr Young:** Do you agree that children should be used to carry any political messages home in their lunch-boxes?

**Mr Douglas:** I'm not sure—

**Mr Young:** Because I want to know, and I think the parents want to know.

**Mr Douglas:** If you're talking about the democratic process etc, it's already been pointed out that one of the key pledges of this government was that classroom funding cuts would not be enacted.

**Mr Young:** Would you please answer my question, because I think the parents want to know. Do you think it's appropriate for unions to send political messages home with children in their lunch-boxes?

**Mr Agostino:** If it hurts the kids, they should.

**Mr Douglas:** I don't want to speak for whatever person did this, but—

**Mr Young:** Mr Agostino thinks so. That's on the record. You do or you don't?

**Mr Douglas:** When you provide forums like this, it makes that kind of message deliverance a little less necessary. When you refuse to hold hearings, when you refuse to hear from people, then it makes it a little easier to come out and—

**Mr Young:** Would you like the police to send messages home in the lunch-boxes, would you like other government bodies to, because I wouldn't.

**Mr Douglas:** I get messages from my local MP in my mailbox all the time.

**Mr Young:** No, through your children's lunch-boxes.

*Interruption.*

**The Chair:** Order, please.

**Mr Young:** You're being flippant about a very serious issue and I wish you'd give me a straight answer.

**Mr Douglas:** Mr Young, let me ask you this. Your government sent home its own propaganda through our children's lunch-boxes regarding the college of teachers. Nobody gave you the right to use the education delivery system to access parents over something that again, in our view, is just another attempt to circumvent what already exists and hammer us from behind.

**Mr Young:** What, to ensure that teachers have a standard just like every other profession in the province?

**Mr Douglas:** There's no comparison between what you're calling a college of teachers and a college of lawyers or a college of doctors.

**Mr Young:** We can debate that another time.

**The Chair:** Thank you, ladies and gentlemen, for coming forward and making your presentation to the committee today.

POLICE ASSOCIATION OF ONTARIO



**The Chair:** May I please have representatives from the Police Association of Ontario come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use the time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and responses from the three caucuses. I'd appreciate it if you'd take the time at the beginning of your presentation to introduce yourselves for the benefit of Hansard and the committee members.

**Mr John Moor:** Good afternoon and thank you, Mr Chairman and members of the committee, for the opportunity to be here this afternoon. My name is John Moor and I'm the president of the Police Association of Ontario. I am also a sergeant with the Windsor Police Service and I'm also the president of the Windsor Police Association.

With me today on my left is Brian Adkin, president of the Ontario Provincial Police Association. On my extreme right is David Griffin, our administrator of the Police Association of Ontario. On the right to Mr Griffin is Paul Walter, president of the Metropolitan Toronto Police Association.

We'll each be making submissions to the committee in our 30-minute time period and we will be filing copies of our submissions with the committee, and with supporting documentation.

We are here today on behalf of the 23,500 front-line police officers and front-line support personnel in Ontario's 103 police services. We are here to express our anger over the abandonment of the promises made by Mike Harris and the Progressive Conservative government to guarantee police funding. If Bill 26 passes as it stands today, Mike Harris is simply handing over the knife to the municipalities to make the cuts to law enforcement and public safety.

In 1992, Ontario's police personnel erupted over their treatment at the hands of the previous government and took their message to Queen's Park. We're here to tell you today that maybe the MPPs still don't understand how under siege the police feel—under siege from crime and from politics.

In 1992, Mike Harris stood in front of the Legislature and told those thousands of police officers, support staff and their families that a Progressive Conservative government would be different. He told us that a Mike Harris government would provide more priority and more support for the police. Frankly, we believed him.

In the Common Sense Revolution, on page 8, Mike Harris told the citizens of Ontario that a Progressive Conservative government cared about public safety. He told us, "Funding for law enforcement and justice will be guaranteed." Again, we believed him.

In the Progressive Conservative Blueprint for Justice and Community Safety in Ontario, he told us, "Funding restrictions have direct effects on the ability of police to meet the needs of their communities." He told us that his government would "work directly with police and municipalities to determine" police staffing needs and "mutual funding arrangements" and "that the police should be given greater priority and support...including

the allocation of existing resources." We believed him again.

1610

During the election campaign Mike Harris wrote to us and told us his government would "take the cuffs off the police and put them on the criminals" by giving the police the support and the tools they needed to fight crime. Again, we believed him. We believed because we know how violent crime is increasing. We know too well the truth in the statement in the speech from the throne that "Feeling unsafe in our homes and on our streets makes victims of us all." We know the system is broken and the time has come for change.

On November 29 of this year we stopped believing. On November 29 we felt we'd been betrayed. The cuts to municipalities announced that day, combined with the measures in Bill 26, are convincing evidence that there will be no guarantees. The citizens of Ontario, and the police personnel we represent, have been betrayed. Police will not be given more resources, we will not be given the tools we need to fight crime because the best tool in fighting crime, as we know it, is more personnel. And it is all too clear how the government spending cuts are going to impact on front-line policing.

Solicitor General Bob Runciman was quoted yesterday as saying he thinks we're overreacting. He might want to talk to his colleagues and see what is happening in their own neighbourhoods. There's ample evidence unfolding right now that municipalities are planning to make deep cuts to police spending. In North Bay the police services board has been asked to reduce its budget by more than 10% over the 1993 amount. At least one in nine of the force's 89 officers and 36 civilian support staff are expected to be reduced and not replaced, along with drastic cuts to part-time, temporary staff and overtime. That's in the Premier's own backyard.

In Waterloo region, the data are just as frightening. Currently the Waterloo Regional Police operates with 532 police personnel and 172 support personnel. Because of previous cuts under the social contract and the expenditure control program, they already have fewer police today than they did in 1993. Now they've been told they have to cut their police budget by an additional \$3.25 million. That's the equivalent of 80 to 100 full-time positions, or 10% of their staff.

Many other municipalities have yet to declare their cuts, but have made it clear to the police services that the cuts are coming and they're going to be big. Paul will speak in a few minutes about the expected impact on Metro Toronto.

The measures affecting municipalities under Bill 26 are intended to be tools to assist the municipalities in coping with the cuts, cuts that for policing were not supposed to occur and cuts that certainly should not be allowed to proceed.

We've been told by the Minister of Municipal Affairs, Al Leach, that schedule M of Bill 26 was not intended to apply to police services boards. If it wasn't intended to apply to police services boards, why isn't it clear that it doesn't apply to police services boards? He's told us that an amendment is to be introduced that will exclude police services boards and school boards from schedule M. We



implore this committee, and the government of Ontario, to ensure that this is in fact the case. A regulation to protect these boards for the time being is certainly not enough. It doesn't go far enough and it doesn't offer enough protection. The power to eliminate the independent control—and if you stop and think about that, eliminating the independent control of police services in this province—can't be subject to the whim of cabinet. It certainly can't. We will see some very serious problems in policing if that were ever to occur.

There's a lack of equity within police services of which the committee may not be aware. In a small community that's less than a two-hour drive outside of Toronto, a police chief just recently received an 11% increase in salary. That's right, 11%. The social contract has literally frozen, and in most cases reduced, the income of front-line police officers in this province, yet the government still rewards their managers with generous and more than generous increases. It's this double standard that underlines the obvious need for more open disclosure of senior management wages. You do not need Bill 26 to achieve this. This could have and should have been achieved separately and apart from this legislation.

There are no secrets, however, when it comes to the wages and benefits that are paid to police officers and the support personnel in this province, because there's nothing there that we should be ashamed of. Like many other people, our jobs continue to get tougher and we continue to have less money to take home to our families than we did the year before. As taxpayers, we police personnel expect to bear our fair share. However, we do not expect to have to pay twice.

We have been told that schedule Q is intended to prevent excessive increases in the public sector, with claims that arbitrated settlements in the public sector have exceeded negotiated settlements in the private sector by at least 2% per year. In police labour relations, this is simply not true.

We are deeply troubled by the proposals tendered to this committee by the people we work for. They, more than anyone, know how difficult it has become for police to police the communities, how hard our members work and how thankless this job can sometimes be. Their conduct, quite frankly, in front of this committee is nothing more than shameful and only serves to further erode the already poor morale across this province in police services.

We'd like to dispel a few of the myths that are being generated about police arbitration.

Police associations are not eager to proceed to arbitration. Nine out of 10 police collective agreements over the last 10 years have been resolved through negotiated settlements. If a negotiated settlement cannot be reached, a conciliator must be appointed, must meet with the parties and must file a report if the conciliation fails. Then an arbitrator is appointed. The arbitrator must hold hearings, and in all likelihood it's going to be well over two months before that arbitrator hands down his or her award. For this reason, the majority of negotiated agreements are established well before the first arbitrated award is handed down.

Arbitration awards have, on average, virtually repli-

cated negotiated settlements. While some awards may have exceeded negotiated settlements, others have resulted in less. On the whole, there is absolutely no disparity.

Police personnel are precluded, as we should be, from any strike action. The current system, while far from perfect, has not favoured employers, nor has it favoured employees. That's what we really want and what we are asking for: the opportunity to resolve our disputes in a fair and equitable manner. The proposals put forward by our employers cannot in any shape or form be adopted by this committee. They will, for all intents and purposes, virtually eliminate the collective bargaining structure as a means of resolving disputes. It would be absolute betrayal.

The funding cuts announced in the financial statement and the so-called tools under Bill 26 cannot be applied to the police. We are enclosing a resolution adopted by representatives of our organization from across this province earlier this week. We implore the government of Ontario to fulfil its promises by imposing a moratorium on funding cuts and by excluding police services and police personnel from the provisions of Bill 26.

I would now ask that Brian Adkin elaborate on the issues as they pertain to the Ontario Provincial Police.

**Mr Brian Adkin:** Good afternoon, Mr Chair, committee members. My name is Brian Adkin and I'm the president of the Ontario Provincial Police Association.

We know that there are tough choices to be made, given the financial decisions of the provincial government. Premier Harris knew that when he campaigned for election. He knew that priorities had to be identified and that some services would have to be cut. He campaigned on this basis and promised the citizens of Ontario that his government would maintain its priorities and guarantee funding for law enforcement.

As John indicated, that guarantee isn't there in Bill 26 and the financial statement. But crime is there, the violence is there, the lack of respect for authority and the rights and property of others; it's all there. Our society is burying too many victims of violent crime. Violent crime is increasing, while our ability to respond to these crimes is constantly being reduced. I've been to enough police funerals to know that we're burying at least one murdered police officer a year. It doesn't just happen in Metro Toronto; it happens in rural Ontario as well. It happens in smaller centres like Sudbury, like Minden and like Arthur, Ontario. It can happen in your neighbourhood or mine. None of us is immune to crime. It can happen to any one of us. It's happening everywhere.

1620

We've made our views known to your colleagues. The Solicitor General is quoted as saying we're overreacting. We don't think so. The accountants have taken over and reductions are the only thing that matters.

In the OPP, 300 layoffs are pending for civilian support staff. Police officers will have to pick up the work that they do because their work is equally important in getting our job done. Our recruit enrolment has been reduced, and as a result we won't be getting the officers on the street to replace those who are retiring and there will be nobody there to pick up their work. As municipal police services are cut, it will only increase the demand



placed on the OPP to provide services that the smaller municipalities can no longer handle.

In addition to our conventional policing role, we are also required to respond to any type of major occurrence that occurs within the province. This places our officers who attend the major occurrence under pressure and as well requires us to maintain our policing role at an effective level in our regular detachment areas. This affects everyone.

We believed Premier Harris when he said that 24-hour policing was important to a Progressive Conservative government. When he spoke of the reduced number of police officers, we expected that he was going to do something to change that. This government told the citizens of Ontario that they would. They told us that our views mattered and that the police were their friends. If the members of this government, present company included, think that we can still be friends, you need to think again. Friends don't break promises that are of life-and-death importance to friends. Crime is getting more violent each day. We're not winning the battle, and the generals are retreating. What type of message does this signal to the troops?

We're here today to get this government's attention, because in the singleminded focus on reducing costs, it is about to break an equally important commitment: to reduce crime through the guarantee of funding for law enforcement. It is critically important to public safety and to our safety.

Bill 26 applies to our members under the provisions of schedule Q. We too take exception to this legislation. The OPPA prides itself on the strong history of good labour relations between ourselves and our employer. In fact, the parties have only found themselves in one interest arbitration in the history of the OPP. In 1992, the bargaining committees for the association and government reached a tentative agreement on a two-year contract. The membership of the OPPA did not ratify that tentative agreement and we proceeded to arbitration. The final result was that the arbitrator awarded the agreement that had been negotiated by the committees. This is far from convincing evidence that there is any need for change in our ways of doing business.

Police associations are not the uncooperative and greedy aggressors that our employers would have you believe. In June 1993, the police associations were the only employee group still at the bargaining table when the first round of social contract talks broke down. We were still there when everyone else had given up and walked away.

When the government mandated the social contract agenda through legislation, we too had concerns, but we did what we had to do and worked to find solutions. We struck the first agreement arrived at under the social contract and negotiated a successful agreement to produce savings. Additionally, we participated with our management and reviewed all aspects of the force to glean any savings where possible. Our entire organization was restructured. It also resulted in enhancement to our service delivery. This reorganization is under way and has eliminated any areas which are not absolutely essen-

tial to the operation of our force.

All of our municipal counterparts negotiated local social contract agreements. Not one police force went to "fail-safe," and only one police employee had to be laid off in the entire province.

As part of the Ministry of the Solicitor General and Correctional Services, we will no doubt be asked to cut our budget. Our message is that we have no areas where we can cut. Our reorganization is dependent on technology and we do not have sufficient funding for this item. Rumoured cuts to jails, courts and other services will increase our work in rural Ontario. Our costs and demands for service will increase, and the people of rural Ontario should not be forced to accept under-policing. Budget cuts to the OPP will make service delivery to the residents of Ontario more difficult.

The anticipated impact of these cuts will be felt on police services across the province. In Mr Tascona's riding of Barrie, they have been operating with four fewer officers than the authorized strength of 100. The chief has been told to dispense with plans to hire five more officers. In addition, they are talking of reducing the number of officers by four more, eliminating four cadets, cutting back on part-time communicators and court security, reductions in salaries and cancelling plans to enact a much-needed 911 system. These plans are to address current financial concerns and do not take into account the expected fallout from the financial statement.

Here in Hamilton, the police services board has advised the association that it plans to adapt to any reductions in the police budget imposed as a result of the financial statement directly through staff and wage cuts. In Niagara region the police budget is expected to be cut by \$3.75 million, reductions which are comparable to those earlier mentioned being forecast in Waterloo.

The Ontario Provincial Police Association is united with our municipal counterparts in the call to place a moratorium on police funding cuts and to remove police, including the OPP, from the provisions of Bill 26.

**Mr Paul Walter:** Mr Chair and committee members, my name is Paul Walter. I'm the president of the Metropolitan Toronto Police Association. The purpose of my segment of our presentation this afternoon is to describe to this committee the policing environment in urban communities throughout this province.

Before I do that, let me say that it is well known that police officers have treated the election of the new Conservative government as a positive sign. During the election, the Metropolitan Toronto Police Association forwarded questionnaires to all Metro-area candidates in addition to holding comprehensive discussions with Mike Harris, who is now the Premier. Candidates who responded in a supportive manner were then endorsed by the association in a full-page ad in the Sunday Sun. Our ad was intended not only to signal our support for this government's position on law-and-order issues, but as a public statement of our determination to hold the endorsed candidates accountable on behalf of all Ontarians. It will not surprise many of you to know that most of the candidates listed in the ad are currently serving as government backbenchers or cabinet ministers.

That level of support, however, was dealt a dramatic



blow with the introduction of Bill 26. I can tell you very directly, and I say this in the strongest possible terms to the government members, that police officers across this province feel a tremendous sense of betrayal at the hands of this government. I can honestly say it has been a very long time since I have witnessed police officers as angry as during our discussions of Bill 26 at our provincial meeting held on Tuesday of this week.

Schedule Q of the bill, as it relates to policing, is nothing short of an attack on police officers across this province. We find this to be totally unacceptable, especially coming from this government.

Over the past number of years, the citizens of this province have experienced a very disturbing increase in all forms of criminal activity, in particular violent crime. This has all been documented by Statistics Canada figures that show huge increases over the last decade in virtually every community in this province, and we as police officers have seen that change first hand. As police officers we are extremely concerned over the deterioration of the level of safety for both the public and police officers in our communities.

Contrary to popular belief, the problem of crime is not just a Metro Toronto problem. Look at the stats. Certainly in our own case, in the last 10 years violent crime in Metropolitan Toronto increased by 75%, assaults by 97%, and armed robberies jumped by 164%. These extraordinary numbers can be found in many other jurisdictions across this province. For example, Ottawa, Peterborough, Sudbury, Thunder Bay and many other communities have experienced larger increases in violent crime than Metropolitan Toronto.

The member from Durham may be interested to know that, according to Statistics Canada, the rate of robberies with a firearm has increased 353% in this area alone over the past decade. Furthermore, most members of the Legislature would probably be surprised to know that Canada now leads the industrialized world in the frequency of bank robberies, well ahead of the United States.

1630

As crime rates have been doubling, in my community police strength has dropped by 700 police officers, and that's just over the last five years. We have over 300 fewer police officers today than we did 20 years ago. Given the growth in crime rates as well as the growth in population, this fact is truly frightening. What is even more frightening are comments made by Chair Prinsloo which seek to further reduce policing levels. As police officers, we find it unacceptable that our citizens do not feel safe in their own communities, and it is clear that our priorities must change. It is not acceptable to have 250 more officers retiring in Metropolitan Toronto by the end of March 1996—that's only in another two and a half months—with absolutely no plans whatsoever to replace these police officers.

Actually, I had contact with our separation and retention unit. They've indicated that there are 238 officers whose retirements are irrevocable and they're looking at probably another 125 to 150 who will be taking this package by the end of March—no plans whatsoever in place to replace them and no strategy with regard to maintaining both front-line and support policing. With

those retirements as well are a great number of civilian members of the force who will be leaving. I think that in itself says something.

Police management and police services boards will tell you, of course, that all is well. They will tell you proudly that they are committed to maintaining front-line policing. You are supposed to be comforted. The reality is quite different.

In order to maintain front-line personnel, the force in Metro Toronto has decimated or is about to further decimate the valuable but low-profile specialized units that have contributed so much in the past to ensuring Metro remains a safe community. To ensure bodies in blue are readily visible on foot patrol and in patrol cars, our members must be transferred out of the sexual assault squad, for example, or the street crime units, or the fraud squad, or community programs, or forensic identification, or the intelligence unit, or detective units. Safety is suffering. The reality is that we need more than just front-line personnel.

Another statistic that police management is slow to publicize is that although on paper the number of front-line officers looks the same, in reality fewer may actually be at work. When you ask older officers to perform tasks better performed by younger men and women, the result is that more on-duty accidents occur and sickness increases. So ask not how many front-line officers there are on paper; ask how many are out on the streets protecting you.

We know full well that there are insufficient cars to cover designated areas. Some areas in Metropolitan Toronto are not patrolled at all. These are taxpayers who are paying the same as their neighbours blocks away who do have police patrol, and others have absolutely none. Where 10 or 12 cars were the norm in a police division some years ago, on a good day today there might be three or four police vehicles. There are insufficient officers to provide protection for each other, let alone the public. Time and again there are no units available to respond to often very serious incidents. I am not guilty of scaremongering; police services are guilty of not telling it the way the rank and file know it to be.

I'd like to ask my colleague Dave Griffin if he could just distribute some documents. These are confidential police-use only. There are only 10 documents, and I would appreciate the press not being given copies of them. There are two incidents which I would like to bring to your attention. I have a binder full of similar situations and it's by no means exhaustive. It's just situations that were forwarded to me.

Number one you'll find is a situation in 11 division. At the top it says "Group D-11" and it's on page 2. It's a situation where a man in his 30s was being stabbed. It was being witnessed by his eight-year-old son, who had called 911. As you follow through with the way the calls were treated, there were no units available in 11 division to attend. Eventually, a sergeant in 12 division, not familiar with the 11 division area, did respond. As we work our way through these call sheets, eventually an 11 division unit became available, responded, and because he was familiar with the geographic area in which this stabbing took place, was able to chase down and arrest



the suspect.

I'd like to draw your attention just very briefly to page 3 on the right-hand side where it says "remarks added," and down about nine lines where it says "1925 hours." At this particular time you will see that there's a series of initials and numbers: "NUA" means no unit available; "11" is the division. So at 7:25 at night, when this very serious crime was taking place, and who knows, if some other disaster or crisis occurred there would be no vehicles available anywhere, it says no units available 11 division, no units available 12 division, no units available 22 division, no units available 31 division and only one car clear in all of 13 division.

Is this what taxpayers are paying for? Is this the type of police protection that they deserve? I can tell you that police officers who work at night who live within Metropolitan Toronto are nervous for their own families simply because they know there isn't sufficient police personnel working in the divisions in which they live.

The second one, and I'll be very brief on this, is an occurrence which happened in 54 division. At 10 o'clock in the evening an east-end cab driver was held up with a knife. There were four suspects: three females, one male. There was a full description of those individuals. As soon as the robbery took place and these suspects fled, he called through to his dispatcher and notified the police. As you'll see all through this occurrence, there were no units available. The call kept going in, at 10 o'clock at night, at 20 after 10, at 20 to 11, at 11 and at 20 after 11. This individual who had been robbed at knife-point by four suspects who in our view could easily have been apprehended if there was sufficient police personnel available was directed to drive to 54 division, where he could report the fact that he had been robbed at knife-point, and no police officers attended.

Like I said, we can recite horror stories here until this committee is through its deliberations. These are part of the problems we're facing that we're concerned about. These are part of the problem and that police officers, when they're attending a scene, have to know that there's sufficient backup to be able to protect them in the event that someone is armed either with a knife or, in an unfortunate incident the other day, with a sword, and of course we know what happened with Todd Baylis.

**The Chair:** Excuse me, gentlemen. We've exhausted the half-hour presentation time allotted to all groups. I will allow you, if you'd like, to quickly wrap up. We've gone beyond the half-hour. I don't want you to get caught without doing your wrapup, which I'm sure is important to you. I just wanted to let you know that.

**Mr Walter:** Thank you, Mr Chair. While my colleagues have spoken about the harsh consequences of the passing of Bill 26 in its present form, the chair of the Metropolitan Toronto Police Services Board has provided concrete examples of the policing environment this new bill will foster, and that was in her deputation before this committee on Friday, December 22. Ms Prinsloo has asked the committee to increase "legislative clarity to confirm that an arbitrator need not be concerned with the consent process in assessing the impact upon services if funding levels are not increased." If anyone has any doubt whether a police service will be reduced under this

legislation, they need only examine the intentions of the board, as stated by Ms Prinsloo.

**Mr Phillips:** If I might, Mr Walter, but this group represents a very large body. I wonder if the committee might consider extending their time for—

*Interruption.*

**The Chair:** Order, please.

**Mr Phillips:** I didn't do that to get—I think, in fairness to the group, if the other committee members would agree, it happens that we have the OPP here, we have the Metropolitan Toronto Police and we have the Police Association of Ontario. We have agreed to rules here and I realize we're breaking the rules, but I wonder if we might not, just because it obviously is an important presentation, all agree that we could extend it for a few minutes.

**Mr Sampson:** If I can get the consent of the other side of the table. Let's not establish a precedent for the subsequent meetings, because I think we've tried to stick close to the agenda, given the fact that a significant number of people have come out here. I would be prepared to suggest that we do allow additional time to finish up. I believe you're almost at the end of your written submission. Is that not correct?

1640

**Mr Walter:** There is one verbal that I would like to highlight which might take about two minutes.

**Mr Sampson:** I'd be prepared to concede to that.

**Mr Phillips:** Couldn't we go to five minutes to 5? Would that be acceptable?

**Mr Sampson:** Well, we have the other group.

**The Chair:** I think Mr Sampson's request is that they get the five minutes to complete their presentation but that this not be used in future as a precedent by the opposite side of the table.

**Mr Phillips:** If I might, Mr Chair. I think each party may want to at least comment for a couple of minutes on it. We did that to another group earlier.

**The Chair:** We had a minute when we did it.

**Mr Sampson:** My other suggestion, Mr Chair, is that if you want to have a recess, there are more than enough individuals on this side of the table and on the other side of the table, certainly a number of supporters of the group in the room. I'd be prepared to entertain that we adjourn for a few minutes and allow them to have some face-to-face discussion as opposed to a document. It does—

*Interruption.*

**The Chair:** I'm going to rule that we'll allow the gentlemen to finish the presentation, we'll allow a quick comment from each person at the end of the presentation, as we have done once before, and then I'm actually going to call a recess so that we can find the next presenter, and perhaps there's going to be movement in and out. So, gentlemen, please finish your presentation. You'll have a quick minute for commentary from each party. It is agreed upon, I believe, by Mr Silipo and Mr Agostino that this won't be used as a precedent again in the future.

**Mr Silipo:** Look, Mr Chair, we have at least three different organizations in front us. They've been here three different half-hours each. I think it's fine.

**The Chair:** Carry on, gentlemen.



**Mr Walter:** Thank you very much, Mr Chair. On a day in the latter part of May I attended at 198 Queen Street West in Toronto, which is about two blocks west of University Avenue. At that time I was with the now Premier of the province, Mike Harris. We went into a convenience store. I would like to read—I'm sure you're more than well aware of the speech from the throne. What Lieutenant Governor Jackman said, very briefly, is:

"Feeling unsafe in our homes and on our streets makes victims of us all. There are too many stories like that of Mr Pat Haghgoo, who is here today. Mr Haghgoo is a Toronto convenience store owner who has been robbed more than a dozen times.

"He puts in long hours and works hard to serve his customers and succeed in his business. He asks little of government, but he does expect government to make sure that the streets are safe and the punishment for lawless behaviour fits the crime.

"The new government is committed to shifting the justice system's focus away from concern only for the criminal, to include concern for the victim. It will ensure that our justice system is up to date, is more efficient, and concentrates on serious crime."

Certainly Mr Haghgoo has had a lot of people in his camp. Since that occurred, and since the government took power in June, this shop owner unfortunately was again subjected to an armed robbery. Again his premises were torched and an arson committed and a major theft occurred from his store, all of which were reported to the police and properly occurred. There were numerous other less serious criminal offences which took place.

His area for the most part has a vehicle assigned to it which is what they call a response vehicle for non-serious criminal offences and generally doesn't meet with regular police patrols. He still has the same problems, as I understand it, as he did prior to that. We're concerned, and that's why I appeared with the Premier, for the taxpayers. We are concerned when a home is burgled. We are concerned when places are broken into and just around the corner from where I live two people are murdered in their beds.

This is a serious situation where we implore you to make sure that whatever you do in your deliberations, focus not just on budget cuts and restraints but focus on, what do the people of Ontario want? What do businesses want that come here? I guess Metropolitan Toronto is more or less the engine for business within Ontario. How many businesses are going to locate in Metropolitan Toronto if they know they may be robbed in daylight hours? Even one of the Solicitor General's assistants was stabbed on his way to work just a couple of months ago. How many people are going to go to restaurants and theatre if they know the likelihood of being assaulted and robbed is very great?

In my view and in the view of my colleagues, you've got to remain focused. We know you have an agenda, but you can't sacrifice all the other good, all the other principles, the safety of the community, to meet your financial objectives. There may be other ways to do it; I'm not sure, and certainly we can't resolve it here. But please, I implore you, before you go ahead with this legislation, know its ramifications, know its consequences, and for

God's sake protect the citizens of Ontario.

**Mr Christopherson:** It's good to see you all again.

**Mr Walter:** Yes. You're friendlier this time.

**Mr Christopherson:** It's amazing how much less pressure there is this way. It's also interesting that at this particular moment in time, both of us, for very different reasons, wish there were a different configuration of the tables as they now sit.

I want to say on a serious note that when I was first sworn in as Solicitor General, I said very clearly that I was very proud to be associated with the police community in Ontario. I continue to feel that way, without question. The police in Ontario are not perfect but they're as good as anybody else has in the world, and I'm still damned proud of every police officer in this province.

**Mr Walter:** Thank you.

**Mr Christopherson:** You've been doubly screwed. Not only as workers have you been betrayed in terms of rights you had as workers under legislation, but you had very clear, specific promises that are now being broken, and it's not a wonder that you're as angry as you are.

You also need to take a look at the corrections side of things. There have been cuts in that budget when there were promises that there wouldn't be. We've seen an assistant deputy minister resign in the Attorney General's office, and it's alleged that the reason is that he sees a deterioration of the administration of justice and the court system as a result of the cuts. Across the board—we had firefighters in here earlier today who are colleagues of yours in terms of public safety who feel exactly the same way as you. They've even got a commitment from then leader of the third party Mike Harris on a videotape to their convention that he wouldn't make any changes without consulting them. He didn't talk to them at all, brought in Bill 26, and stiffed them the same way you're being stiffed.

**The Chair:** Mr Christopherson, would you wind up.

**Mr Christopherson:** Don't stick to the 60 seconds as a hard and fast thing; this is important for us too.

**The Chair:** I realize that, but please just wrap up.

**Mr Christopherson:** The issue of arbitration is a key one, not just for you but for everyone in the public sector. I hope you'll stick united with everybody else who's facing the same kind of attack you are. If they can get at you and police and others in the public sector, they can get at every single worker in this province. Quite frankly, I think that's in part what this is all about: Go after the toughest, bring them to their knees, and then you can easily go after everyone.

The other thing I know very specifically, particularly through the OPP, is that the amount of re-engineering and restructuring that's gone on with the limited dollars that were available, and I recognize they were limited, has meant there's been a great deal of change in policing in Ontario and the way it's been administered. I can't imagine, for the life of me, what it would be like continuing to sit in the office of the Solicitor General and envision how policing can continue in an effective manner with the changes we've already made and then rip out of the heart of it the millions and millions of dollars that are being proposed to be taken out.



I want to wrap up by saying to you that you are now facing very clearly the same circumstance that an awful lot of people in Ontario are, that is, "The deficit and debt can be brought under control, we can reduce taxes, and don't worry about it. Somebody else will have to feel the pain." The reality is that that kind of formula doesn't work. You can't do all that at the same time. I'm glad at least that you're throwing your weight—and it's significant—behind the fact that all of this cannot be done so deep, so quick.

I would urge you to start including in your comments the fact that the tax cut is not necessary, that if you put that money alone back into policing and other public safety issues, that would go a long way to making sure there's enough money to do the job.

**The Chair:** Mr Christopherson, I'm sorry.

**Mr Christopherson:** Boy, you guys really like to stifle debate, don't you?

**The Chair:** I've been more than flexible. Mr Tascona?

**Mr Tascona:** We're open to debate, but I thank you very much for giving me the opportunity to speak. I certainly am aware of what's going on in Barrie. I was a councillor in Barrie. I don't share the approach being taken by that police services board. In fact, there are going to be replacements on the board because of things that have happened.

But I can say that I've been a big advocate for 911; I've been leading that. And in terms of the approach you're advocating, of the focus being on law enforcement and the safety of the public, we tried to take some measures early in our agenda with respect to introducing hollow-point bullets, parole board appointees having police experience etc, and introducing victims' rights. Those are measures that we hope are in line with what you're looking for in terms of providing, for the police officers and for the public, a more safe environment.

I'd also like to say that I appreciate the approach you've taken. You realize we have tough choices to make. I think you also realize that the situation we're in is something that has to be addressed.

With respect to the area you talked about in terms of schedule Q, we had the Ontario Association of Police Services Boards in here already and they echoed your views with respect to deleting such factors as 4, 6 and 7, which are already in the Police Services Act.

I find the approach you've taken very constructive. It gives us something to work with in terms of schedule Q. I know you've met with the Minister of Labour, Mrs Witmer, and I know we would like the consultation, because this is a part of the consultation, to continue. If you have any further refinements you'd like to see to schedule Q or any other areas, please come forth. We have another week of hearings to go into the north and then we're going to be dealing with all the parties in clause-by-clause review, and that's a very important part of the process also.

I'd like you to know that the process isn't finished here today. We'd like to hear from you and we certainly share your views in terms of the importance of this issue.

**Mr Phillips:** I appreciate the presentation. I think Paul knows I have a little appreciation of the challenges. I've coached hockey for the last 10 years with a Metropolitan

Toronto Police officer who gives me good insight into the challenges.

Let me just say that you have been betrayed. I don't think there's any other word for it. The Common Sense Revolution is all about cutting deep, deep, deep: Cut \$8 billion out of provincial spending to fund a \$5-billion tax cut, and it doesn't matter who suffers as a result of that.

You're also a victim of an agreement between the government and AMO, the Association of Municipalities of Ontario. They were told they're going to have their grants cut substantially. "How can we keep you quiet about that?" And you now see the results of that: this arbitration process. There is zero doubt that it tips the scales just like that. If I were in your shoes I hardly know why you would even have any opportunity at the bargaining table, the employer is going to want to get to arbitration so fast.

I earlier thought this was the Harris wage control bill. It's now the Harris wage rollback bill. I believe there are negotiations going on out there right now to roll back wages from non-unionized workers or workers who may not have a powerful union. When you get to arbitration with this proposal I tell you the arbitrator under the ability to pay is going to have to look at that.

The other thing you're suffering from is that I think the government's made a commitment to the municipalities to eliminate police services boards. Temporarily, they're going to be protected by regulations, but AMO couldn't have been clearer. At this time, powers of dissolution of police boards may not be included, but AMO's made its position very clear on special-purpose boards: "We're encouraged the government will be reviewing the role of police services boards in this context."

So your second major concern about how police organizations will be governed in the future I think is legitimate. I feel badly for you, because I think what is being proposed here represents the biggest change in the relationship between the police organizations and the community that we've ever seen. Your whole bargaining position will change dramatically, and the way you work with your police services boards will change dramatically.

The day I got the bill, I asked myself, "Where is probably the most dangerous part of the bill?" I decided it likely wasn't at the start of the bill but at the end of the bill, so I flipped to the back of the bill. What's the last section of the bill? It's the arbitration process. That's where it all is, at the back of the bill. I figured that's where the dangerous part would be, and it is there.

I would just offer this assurance to our police organizations on behalf of our party: It is essential that you have fair bargaining rights—not that you have unfair bargaining rights and not that your employer has unfair bargaining rights. You are owed fair bargaining rights because you can't strike; you have to rely on your bargaining position and the arbitrators. We will fight. This bill is going to be voted on on January 29, unfortunately. We cannot get them to move that. We've got two weeks to make the changes. We'll be doing our best to get, for your organization, fairness in this bill. It does not exist right now. We'll do what we can.

**The Chair:** Thank you, gentlemen, for your presenta-



tion to the committee.

I'm going to call a five-minute recess. Mr Phillips, Mr Silipo and Mr Sampson, I would ask that your members who received the document—it was asked to be between yourselves. Just hang on to that. We're going to have to have a discussion about that at the end of the session. We'll be back at 5:05.

*The subcommittee recessed from 1658 to 1711.*

#### DAVE WILSON

**The Chair:** Good afternoon and welcome to the committee. Sorry for the delay. I'd appreciate it if you'd introduce yourself for committee members and Hansard.

**Mr Dave Wilson:** I'm Dave Wilson. I'm a municipal councillor in Hamilton. I sit on both city and regional councils, as I explain in my brief. I have handed copies to the secretary and I'm sure you have those by now. The very least I can say is that I'll be a lot less intense than the last presentation.

I want first to thank you very much for allowing me the opportunity to make a presentation to you today. As I was preparing my submission and rethinking some of the issues, I was at some points almost overwhelmed by the sheer volume, so I beg your indulgence as I try to make my points.

By way of introduction, I am a member of city council in the city of Hamilton and, by virtue of that office, also a member of the council of the region of Hamilton-Wentworth. I have the honour of being the chairman of the licensing committee at the city and of the environmental services committee at the region.

I'm sure my colleagues at both levels would want me to make it clear that my remarks are personal and do not represent their views. However, both Mayor Morrow and Chairman Cooke have asked me to extend their greetings to you and welcome you to the city of Hamilton and the regional municipality of Hamilton-Wentworth and to assure you that our collective views will be forwarded to you in writing.

To start on a high note, to make my position clear, I want to express my support for schedule A. It is my belief that public disclosure of both public salaries and public benefits is long overdue and is a very positive step.

I believe that with respect to both the freedom of information act and the municipal freedom of information act, some amendments should be made. While I appreciate that these acts can be abused, I believe the proposed changes are unnecessarily heavy-handed. It seems to me that rather than making information impossible to obtain, a more appropriate mechanism would be to allow the occasional requester the information as per our current policies, and then for those who do make excessive use of the system, the regulations should allow for aggressive cost recovery.

I checked with our regional city clerks today. In the city of Hamilton, in the course of an average year, we have 100 informal requests of people who simply walk up to the counter and ask for information and about 30 to 40 actual formal requests for information. From our perspective and considering our budget, those are fairly

minor requests, although we do understand that there are some people who are more than abusive of the system.

In terms of the ability of the municipalities to levy user fees, my next point, I understand that AMO has calculated out that on average the transfer payment cuts made by the province, if they are directly passed on to the taxpayer without mitigation, would result in a property tax increase of \$250 a household. In the case of the city of Hamilton, that would be apportioned out at a little over \$60 per household, an increase greater than has been imposed by the municipality over the last seven years combined. I need not remind any of you, I'm sure, that property taxes are one of the most regressive forms of taxation and have little, if any, relation to the individual's ability to pay.

While I appreciate that there is a provincial problem, what has now happened is that the retired couples on the street or the widow down the street are going to bear the brunt of the problem in many instances, having had little to do with the problem's creation. We all, I'm sure, as politicians—and you're contacted by your constituents on a regular basis—hear the horror stories of people who are having difficulty with their taxes, federal, provincial and municipal. But in the case of municipalities, as you know, it isn't an income-based system; it is based on property values. It makes it very difficult for people on fixed incomes to keep up to the pressure of property taxes. That's one reason I have been personally opposed to those particular changes.

It is crystal clear that no municipality is going to pass those cuts on directly, short of one that has decided to commit collective suicide. So while we have additional authority to generate revenue, it will in no way make up the additional responsibility we will also be handed.

User fees implemented in a thoughtful and appropriate way make sense, but the current financial crunch will force and has forced municipalities to look at concepts unheard of in recent memory and ones that will once again punish those least able to afford them.

Obviously, one of the major goals of this bill and a stated objective of the government is to restructure and reduce government. I certainly agree that anything that simplifies the structure and enhances the services of municipal government, while protecting the rights of the general public, is a step forward. However, I firmly believe that the actual structure of municipal councils should be left in the hands of the municipality.

While Glanbrook has a population of less than 10,000, it has a council of seven members, clearly out of proportion with Hamilton where a population of 317,000 has a council of 17; but equally clearly the people of Glanbrook have accepted that and are prepared to pay the cost of overrepresentation. I do not accept, as a rule, the argument that fewer politicians make better government automatically; otherwise the logical conclusion would be that one person would be the best form of government. I say this somewhat facetiously—

**Mr Phillips:** That's what the bill's all about.

**Mr Wilson:** —only one or two members of the committee would perhaps argue that the 99 federal MPs, 98 elected from the same party, would have better representation than we do provincially with 130 MPPs.



Diversity of opinion and honest debate can often come to a better and wiser decision.

If cost is the issue, then pay them less as municipal politicians. If structure is the issue, transfer payment cuts and other provisions of the bill will leave us little choice but to take that action in any event.

With a broader perspective on the issue of restructuring, I have no wish to be a petty tyrant, and I urge you reconsider or to consider the previous point that too much control over too many areas will lead to more problems than it resolves.

With the greatest of respect, there are too many provisions, I believe, in the omnibus bill that allow municipal councils to take too much authority. And with the greatest of respect, we're not brain surgeons, and I use the term advisedly. We're human beings with the same flaws and we make the same mistakes as other people do. With respect, I think in many respects the senior levels of government have more authority and more staff to make those kinds of decisions. Municipal councils are not always perfect, as are other levels of government, but I don't want to give them authority they don't currently have if they're going to abuse it, and I suspect in some cases they will.

On one last point, I want to urge you to consider the devastation that the conservation authorities are undergoing across the province. From my perspective, they provide a low-cost and positive addition to the communities they serve. In my heart, I believe that their loss will be one from which we will not recover. So I really urge you to take another look at the conservation authorities.

I want once again to thank you for your attention and interest, and I wish you well in your ongoing deliberations.

I ran into MPP Ross in the hallways of city hall earlier and she said if I spoke briefly, you'd not only appreciate it because it's near the end of the day but it would also give you a chance to ask a few questions. So I thank you very much for your attention once again.

**The Chair:** Thank you very much, and you're correct. We have seven minutes and a bit for questions from each caucus. I will start with the government caucus; Mr Sampson.

**Mr Sampson:** Is it your view that putting conservation authorities under the authority of local government is going to mean they'll disappear or they'll be decimated? Can't you see some way that they'll carry on the good work they do, just in a different form?

**Mr Wilson:** In Hamilton-Wentworth, we're lucky in a sense that the Hamilton Region Conservation Authority has—and I know Mr Stacey is here to speak on their behalf—revenue sources that are not usual for conservation authorities. So in a sense, Hamilton-Wentworth and the Hamilton Region Conservation Authority will be better off. But my real instincts are that, because the focus on the conservation authorities tends to be environmental issues and the protection of the watershed, much more attention is paid to those issues and they'll do a better job of it.

With the transfer payment cuts they're getting—and I know the figures are floated around of about one half of 1% of all the cuts are to conservation authorities—I really

think that that's money that should be kept in the budget, because in fairness I really think that the conservation authorities are in jeopardy.

**Mr Sampson:** We have hospital boards and university boards that are run totally volunteer. Is it not possible that could work for conservation authorities too?

**Mr Wilson:** It would be extraordinarily difficult. I know in our situation—that's the one I'll speak to, because that's the one I know the best—this conservation authority has been blessed over the years with a lot of foresightedness and they have a lot of property. I think it would be very awkward to run them with volunteers. I know that the authority board itself is very active. As a matter of fact, I sit on the authority boards. They're very active and they do the best they can, but I really can't see a way to do it with volunteers.

1720

**Mr Young:** Out of 38 conservation authorities in Ontario, one of them recently spent \$500,000 on an abandoned railway track, which I would view as nice to have, but we're making financial funding reductions which are very tough and are tough for the whole province of Ontario. Would you deem that as an appropriate expenditure in the current financial state of the province?

**Mr Wilson:** In fairness, I think you have a point, that in some respects the conservation authorities have expanded their properties, perhaps at the expense of their existing properties. So I don't have as much difficulty with the concept of cutting back on the purchases of properties, but I do think that the basic fundamental portions of the conservation authorities that are left should be protected.

**Mr Sampson:** If I may, if I could sort of paraphrase, the general theme is, a little bit more authority and responsibility would be nice, but not too much. Is that basically where I hear you coming from?

**Mr Wilson:** Yes, I think so. In fairness, and I don't want to speak for my colleagues who aren't here, but in most municipal councils they tend to be part-time politicians, with few exceptions, and they don't always do as good a job perhaps as they could of studying the issues. You people clearly live and breathe this on a daily basis. For most municipal politicians, that is not the case. Sometimes my fear is that they make decisions perhaps not capriciously but without the proper information and debate. I think that, in fairness, as I said before, the senior levels of government quite often are better decision-makers. I don't always agree with the decisions that the federal and provincial governments make, but I think they make them with more information than the municipal councils often do.

**Mr Sampson:** And would that additional responsibility that you would maybe not want to have include the library boards? Because we've had some discussion from representatives of library boards in the past that tell the councils, "Hands off," basically.

**Mr Wilson:** I also sit on the Hamilton library board.

**Mr Sampson:** That's why I asked that question.

**Mr Wilson:** I like to keep busy. I understand the intellectual freedom aspects of the library board, and I would say that there are more areas of jurisdiction for the



city or the municipalities to take over with respect to the library boards, but they shouldn't be taking over the entire library board. It politicizes library boards in ways that are perhaps not appropriate.

**Mr Sampson:** Right, because they're funding the operation of the boards, for all intents and purposes, and the library itself, and I guess if you believe that—I think we have a phrase we heard that, "He who pays the piper should call the tune." Is that something that you would see operational or the appropriate way to proceed with respect to library boards?

**Mr Wilson:** In fairness, no. I think that in Hamilton, once again I have to say that our experience has been that the library boards have been very thoughtful and they've worked through very difficult situations and have been able to manage their affairs quite admirably with very little intervention from the city of Hamilton's council. I suspect for the city of Hamilton to take it over—in fairness, most of us were interested in municipal politics when we entered the field, and I have no more wish to be a school trustee, or I would have run for school trustee, or to run the library board, other than as a representative of the council who sits on the library board, than I currently do, if I'm answering your question.

**Mr Sampson:** Switching topics slightly, the city doesn't charge for garbage?

**Mr Wilson:** No, we don't, not directly.

**Mr Sampson:** Why is that? Because you do have that authority now. Why is it?

**Mr Wilson:** It's been an ideological debate and it's been a practical debate. There are those members of council who see that as a tax grab in a sense. They see that as something that would be politically unacceptable. They've heard from other municipalities, and there are very few large municipalities that do that, but they've heard from the smaller municipalities where that has happened that it has not been well received by the general population. When it has been raised in the press in the Hamilton area, we are often inundated with phone calls from people who are opposed to it. So while we have done just recently a survey as a regional municipality to take a look at those types of things, it is generally not well received politically.

**Mr Sampson:** So even though you have the authority for sort of a user fee type of arrangement, what's really dictating whether or not council will proceed on applying or implementing a user fee is basically the response of the taxpayer and voter saying, "I don't want it."

**Mr Wilson:** In this instance, yes.

**Mr Sampson:** And do you get the sense that the taxpayer and the voter would continue to behave with respect to other user fees that your council might choose to implement, whether it's pursuant to this legislation or any other?

**Mr Wilson:** We have, as both levels of municipalities in the Hamilton area, put in other user fees. Garbage is treated separately I think in most people's minds, simply because they see it as a very basic and fundamental service that should be provided by the municipality. I think that's why it's poorly received from a constituent point of view. My real belief is that they're prepared to accept user fees in other areas to a certain extent. As I

said in my brief, sometimes user fees make sense, as I made the point with the freedom of information act. I think in those cases where you have abusive people, user fees make some sense, but to give the—

**The Vice-Chair:** Excuse me. We have to give the opposition some time.

**Mr Wilson:** I'm sorry. My apologies.

**Mr Agostino:** Mr Wilson, on your lines of user fees and costs and impact, we have heard across Ontario, we heard the deputy mayor of London, Deputy Mayor Hopcroft, talk about how they can't wait for this bill to go through so they can start imposing the user fees to make up the loss. The mayor of Guelph, two days ago in Kitchener, said that as a result of the new powers that he's now going to have—and you'd be familiar with the licensing end—a restaurant licence which now a municipality can charge up to \$20, they now are going to be able to charge the full value of that. So a restaurant licence, a small business, will go from \$20, say, up to \$400 or \$500 based on the cost of that. The mayor of Mississauga talked about gasoline taxes and so on.

Do you envision municipalities, having to deal with this massive cut of 40% or 43% in transfer payments, having to use user fees and those types of levies to offset some of that rather than tax increases or a mass reduction in service?

**Mr Wilson:** I suspect most municipalities will do a variety of things. They will raise taxes, they will probably, unfortunately, lay off people and they will also implement a broader range of user fees.

We have, as I said, implemented them in this region, but we have done it cautiously and where it made some sense. My fear, as I said in the brief, was that we'll be not perhaps forced, but stampeded into making some pretty aggressive and pretty unacceptable user fee increases. An example of a restaurant licence, as you said, going from \$20 to \$400, I think is probably not on the table in this region, but I think things in that magnitude could perhaps happen.

**Mr Agostino:** Just along the lines of the aspect of the bill as it relates to fire and police services where you're aware the arbitrators and the powers the arbitrators have and will have under this new bill would dictate and often could—in the way the bill is worded it could give an arbitrator the power to bring services to a certain level, but I think it also would work the other way: It would give the arbitrator the power to reduce services if the arbitrator felt that the ability to pay was not there.

As a municipal councillor, are you concerned about the fact that you may have some independent arbitrator tell you how many police officers or firefighters you can hire in your own community?

**Mr Wilson:** The short answer is yes. I have spent most of my life doing collective bargaining and representing people in my past background as a labour person, so I'm concerned about that. I have concerns in the general area of the interest arbitration as well. But yes, I would say the answer is yes.

**Mr Agostino:** Thank you. Mr Phillips wants some time.

**Mr Phillips:** One of the challenges in this bill is that



frankly we're not sure what the government really wants to do in some areas. We have a suspicion that behind the scenes, Mr Leach and AMO have worked out a deal here and they know what it permits, but we have to kind of guess at what it permits. That's true in the fee area and it's true in the licensing area. As a matter of fact, as we go around Ontario, different municipalities are telling us different things. They've looked at it and they kind of know what it says.

The reason it's so important to us is because once this bill comes into law, it's going to unleash a whole bunch of activities. There's no question of that. There's going to be all sorts of Harris fees all over the place.

My question really is, I gather your council has had an opportunity to discuss this. I gather you've had some briefings by your staff on it. I gather council has asked some questions on what does this permit and what does it not permit.

**Mr Wilson:** That would be a valid assumption, but it would also be wrong.

**Mr Phillips:** Oh.

**Mr Agostino:** Remember his earlier statements?

**Mr Phillips:** Oh. Well, imagine you did have such a meeting because a bill this important, that impacts this much on both the region and the city, I would have thought maybe the council, because it's that important, might have wanted to have some idea of what "direct tax" meant under fees, and under the licensing, if you remember the language, "requiring the payment of licence fees which may be in the nature of a tax for the privilege conferred...."

Imagine staff had advised you, what would you think that permits you in the licensing area? We surmise, for example, that you could say to a retailer, "We want a nickel a package of cigarettes that you sell, because we think we have a certain number of expenses around smoking here in Hamilton, and our licence fee will be in the nature of a tax," not just an annual fee, but in the nature of a tax. Do you think that is permitted under the licensing portion and what do you think is permitted under the direct tax portion in the fees area?

1730

**Mr Wilson:** You're quite right. It isn't that our councillors haven't taken this very seriously. We do have our staff working on it. It's just that collectively it's been difficult for us to put our heads around it. As you know, we're going through budget processes right now as well. It's difficult to answer that question, as you say, because it isn't particularly clear, from my perspective and from my reading of it. I spoke to both the city and regional solicitors about their interpretations of it, and they're not quite clear either and have asked, I believe through the normal processes, for further clarification. As you know, the devil is in the detail, and as you would know as a former Minister of Labour, it's the regs you worry about, and I assume when they come out—

**Mr Phillips:** I didn't know that. Yes, I did know that.

**Mr Wilson:** I'm sure you did.

**Interjection:** You didn't know you were Minister of Labour? I remember that year.

**Mr Wilson:** It's the regs we are concerned about and where we really will, I guess, get the final answers on exactly what they mean. From my perspective, it is pretty

broad in its interpretation.

**Mr Phillips:** The restructuring proposals are intriguing to us too in that here's how we interpret the migration of services: Imagine that—

**The Vice-Chair:** We're out of time. The NDP, please.

**Mr Phillips:** Well, just imagine that.

**Mr Wilson:** I will imagine that.

**Mr Phillips:** Think about it.

**Mr Christopherson:** Welcome, Dave. Some will know that I was a predecessor of Dave in the seat he now holds on city and regional council, so it's interesting that you and I should talk about issues like this in our respective roles.

**Mr Wilson:** We'll see if you made a wise decision in asking me to run, anyway.

**Mr Christopherson:** That's right. Well, you're doing a good job. I want to focus a little bit on the way things are being realigned in Ontario in terms of the way things are funded and ask you just in general, given that your ward is made up predominantly of working people, whether overall the move away from provincial funding through transfer payments to municipalities versus increasing user fees, new user fees, albeit with the controls that come with it, on balance, is a good deal or a bad deal for the average constituent you represent?

**Mr Wilson:** For my constituents, it's been a very bad deal. I say this without being too partisan. If you understood my area of representation as Dave would, it tends to be a working-class neighbourhood with modest homes and people of modest means in many respects. I know from speaking with small business people that business has declined dramatically. They anticipate that it will only get worse as well, because it does have the tendency, as I said earlier, with transfer payment cuts, that if property taxes go up, it is going to make life that much more difficult for them. I know, as I said recently, that children who go to school with my children are having a difficult time in many respects. Some of them are now coming to school without lunches, when they were coming with lunches before. It's absolutely clear to me that if we have to implement user fees it will be that much harder on them.

The whole question of garbage fees: If we charge people for garbage, we couldn't charge a certain amount in my ward and a certain other amount in another ward. It will be charged the same everywhere. The people I represent will have a much harder time doing that than will the people in more affluent areas. So I absolutely 100% agree.

**Mr Christopherson:** I continue to be somewhat baffled, having been an alderman and a regional councillor for five years before I went to Queen's Park, on the response of municipalities. I understand AMO is happy because it seems to have gotten everything it ever wanted from a provincial government. It's amazing the number of things on their wish list that they now have in their Christmas stocking. But that's always at a broader level and doesn't necessarily reflect where individual aldermen and councillors are coming from. Maybe you can help me.

I still don't understand why so few individual council-



lors and aldermen are speaking out if you accept that there are more ordinary working people of modest means than there are rich people, which tends to be the case. You are one of the only ones in Hamilton, in the whole region, I saw responding when the financial statement was made about the massive cut in transfer payments. You were the only voice. Why do you think others are so reticent to say anything?

**Mr Wilson:** Frankly, I'm puzzled about that myself. I'm not really clear on why people haven't been more concerned. I know as an example that very few people had actually applied for standing, and it really does baffle me because it has such broad implications for us, and whether you agree with the provisions or not, there's clearly a lot there for municipal councils to deal with. I honestly can't answer why they haven't been more responsive to it.

**Mr Christopherson:** The only thing I can think of, having sat there, so you're not clouded with all the misty stuff, is that the individual elected people have bought in to the idea that more power and more control at the municipal level, carte blanche and regardless of anything else, is good and therefore, they're swallowing this medicine. That's the only thing I can think of, that they feel and believe it and that it's just an honest disagreement philosophically about whether or not that's in the best interests of the majority of Ontarians.

**Mr Wilson:** It is absolutely clear that many of my colleagues, perhaps a majority, are absolutely thrilled with the legislation, that in many cases they're quite happy with the new powers that municipalities will have, and they see, as an example, with respect to the library board, that they'll have more authority and more ability to do things in the way they would like to have them done. I, as I said, don't think that's a particularly positive thing, but you're absolutely right, it's very clear that some of them would like the expanded powers.

**Mr Christopherson:** I think what'll be interesting is to watch, in the 1997 municipal elections what individual aldermen and councillors are facing on the doorstep, as they're going to be attacked by working people who now have a rawer deal than they had before under the other alignment, and those politicians can only stand on the doorstep and say, "It was the province that did it, not me." I've got to believe that's what's going to happen. It'll be interesting to see whether or not they're able to pull that off.

The other thing I wanted to ask you, was that one thing the government asked for and said it expected from municipal governments was that they would accept these cuts in transfer and there'd be no increase in property taxes, that they should be able to do that. Just how close to reality is that, as you see it?

**Mr Wilson:** It's not going to happen. It's absolutely clear there will be property tax increases as a result of the municipal transfer payment cuts, without question. We were at approximately zero at one point, and now we're at seven, so the difference, at least at the regional level, is a 7% increase as a result directly of the transfer payment cuts. There's absolutely no question in anybody's mind, whether they agree with the bill or not, that

there will be property tax increases as a result of it.

**Mr Christopherson:** We hear business worried that some of the powers that are given them—they want the powers to be given to municipalities but they don't want them to have too much power. They want them to be able to have some alternative source of revenue, but they don't want business to be it, and one can understand their position, "Don't charge me a licensing fee that goes beyond the cost of issuing me the licence because you're short money for social services or environmental needs." Yet the reality is that if local governments have to replace it, they're going to have to go after the people who have it to a large degree, which is going to be business. In the end, I suspect business may not be as thrilled as they think they're going to be with the implementation of this legislation.

That's the thing we're not doing, explaining it as a complete realignment in the way we fund the services that are closest to us and our families and our homes. It has a negative connotation in terms of what it means.

**The Chair:** Thank you for coming forward today to make your presentation to the committee.

#### HAMILTON REGION CONSERVATION AUTHORITY

**The Chair:** May I please have representatives from the Hamilton Region Conservation Authority come forward. Good afternoon, gentlemen, and welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or responses from the three caucuses. I'd appreciate it if at the beginning of the presentation, you'd introduce yourselves for the benefit of committee members and for Hansard.

**Mr Alan Stacey:** My name is Al Stacey. I'm chair of the Hamilton Region Conservation Authority. I have with me today to present to the subcommittee of the standing committee our general manager, Mr Ben Vanderbrug. You all have, I think, our blue folder in front of you, and as I understood, you've had a long week and a long day and we're the last presenters. We'll keep our remarks at this point to the prepared text.

Members of the evidence subcommittee of the standing committee on general government, we certainly welcome this opportunity to speak to you on behalf of our authority and I think on behalf of many of the 38 authorities that have not had an opportunity to present evidence before your subcommittee.

1740

Half a century of exemplary environmental leadership is in danger of being crushed under the weight of fiscal restructuring. At a time when many jurisdictions over the world are implementing planning on a watershed basis, Ontario could lose its conservation authorities, the very models on which modern watershed management is based.

Resource management on a watershed basis is now universally recognized as the most pragmatic way of solving many of our environmental problems. The watershed model allows representatives from all affected



communities to make decisions without concern for parochialism, because they know that watershed units, land areas that drain into specific bodies of water, are not impeded by municipal boundaries. Using the watershed model, drought, flooding, pollution and erosion problems are being remedied, which in turn helps protect the biological diversity of wildlife and flora.

More importantly, watershed planning effectively integrates—and I stress “integrates”—urban development with the environment, and many municipalities in this province are now working cooperatively with conservation authorities in conducting planning on a watershed basis.

It's also important to recognize that the provincial government has utilized the expertise of conservation authorities across Ontario to deliver environmental services and undertake programs for the acquisition and protection of Niagara Escarpment lands, sensitive wetlands, the Great Lakes shorelines and the management of other provincially significant natural features. As a result, more than 121,410 hectares have been designated conservation lands in Ontario, and nine million people, 90% of Ontario's population, now live now within the boundaries of a conservation authority.

The Hamilton Region Conservation Authority has not let the success of its past dictate its future. It has recognized Ontario's economic realities and has for years operated under a business plan designed to decrease dependency on provincial funding and to increase other revenue sources without placing undue strain on municipalities.

If I could draw your attention to the attached graphs which are in your folder, the attached graphs show the HRCAs has managed to reduce to 10% the provincial contribution towards our combined budgets, while the municipal levies have been maintained at approximately 35%. The balance comes from other funding sources—user fees, interest earned on reserves, special provincial and federal grants—which over the past 15 years have increased to approximately 55% from 5%. Our future business plan calls for less dependency on the province, a stabilized municipal levy and an increase in new funding sources.

What our business plan did not anticipate was the possibility of drastic reductions in the municipal levy. We recognize that a hold-the-line municipal levy may not be realistic due to the provincial cutbacks faced by our municipal partners. Accordingly, numerous suggestions to our mandate and organizational structure were made, which has enabled us to lower our 1996 municipal levy requirements by approximately 15%.

However, if Bill 26 is adopted, municipalities would be obligated to match only the level of provincial transfer payments for the maintenance of flood control structures. Other environmental programs will be deemed discretionary and will be subject to negotiation with our municipal partners. On a provincial level, this could endanger the watershed network of 38 authorities. Limiting authority and municipal funding to the funding of flood control structures leaves a vacuum that over time, perhaps a short time, could result in the loss of lives and property

damage far exceeding any savings from the imposed cuts.

While budgetary challenges have necessitated cutbacks in most provincially funded programs, the need to maintain an environmental legacy for future generations has not diminished. In fact, if growth resulting from fiscal cuts and the devolution of power does occur, as I'm sure the government hopes it will, there will be even more urgency to maintain the conservation authority's crucial role in protecting the environmental health of our province in the watersheds we serve.

It is for this reason we are urging the provincial government to rethink the implications of Bill 26. More specifically, we suggest the following:

(1) Currently, the appeal process is limited to section 21(h)—and those are attached as addendum—of the Conservation Authorities Act, which permits a member municipality to appeal the apportionment of a levy. The process could be broadened to allow an appeal when the majority of member municipalities consider the total amount of the levy unreasonable in light of municipal fiscal constraints.

(2) A change in the Assessment Act recognizing the significance of conservation authority holdings would have a tremendous budgetary impact. Currently, the Hamilton Region Conservation Authority pays more than \$600,000 in realty taxes, plus charges for local improvements. Conservation authorities should not be forced to assume such a heavy tax burden. These lands have no developmental potential and are owned solely for the preservation of our environmentally sensitive areas and the enjoyment of the public.

(3) The HRCAs, like other conservation authorities, has an enviable record of obtaining property through donations by landowners. However, the bottom line tax benefits to donors are minimal and legislative changes are badly needed to make it more attractive for potential donors to contribute property which would be invaluable to this province's environmental and economic future.

Most conservation authorities have charitable foundations which are established for the purpose of raising funds for the authority they serve. It is usually through these foundations that land donations are made. A large number of institutions that rely on charitable donations have been given the right to establish crown foundations. We believe this right should extend to conservation authority foundations. This would go a long way towards increasing donations of environmentally sensitive properties.

(4) We believe the intent of the proposed amendments to the Conservation Authorities Act contained within Bill 26 is to lessen the dependency of conservation authorities on provincial funding. We also believe it promotes an entrepreneurial spirit by encouraging conservation authorities to enter into partnerships and contractual agreements with member municipalities and other public and private sector organizations.

The proposed amendments and suggested ministerial regulations should in no way restrict conservation authorities from doing business, as long as negotiated partnerships and cooperative ventures meet the parameters set out in section 20 of the act, which deals with conservation authority objects. That is also attached as an



addendum.

(5) It would be short-sighted to sell lands currently owned by conservation authorities and many authorities are facing this very real possibility. The preservation of our natural habitat, including environmentally sensitive areas, will be one of the primary ecological issues in the coming century. Locally, the conservation authority has been the agency to acquire environmentally sensitive lands. We want to continue our land acquisition program, and a change in the legislation which would allow us to debenture for the purpose of acquisition of environmentally sensitive holdings would help make this possible.

I should note that the majority, if not all, of those suggestions would come at little or no fiscal cost to the province or the taxpayers.

(6) The Association of Conservation Authorities of Ontario made a presentation to the standing committee on general government on Tuesday, December 19. At the time, a written brief was submitted with recommendations on possible changes to Bill 26 respecting the Municipal Act, the Ontario Municipal Support Grants Act and the Conservation Authorities Act. The Hamilton Region Conservation Authority fully supports the ACAO's comments and we urge the standing committee to recommend approval of all of the suggestions. For your information, we have enclosed a copy of that brief.

We want to continue our environmental role in the Hamilton region and, as partners, work towards the high environmental standards this community deserves. A healthy society needs a healthy environment. We need the tools to make this possible. It is in this context that we ask you to give serious consideration to our submission. The suggested changes to Bill 26 will make this possible, without serious provincial fiscal implications.

**The Chair:** We have six minutes per caucus for questions. We'll begin the questions and response with the members of the opposition party.

**Mr Phillips:** I'll start off. I appreciate the brief. This morning we heard, as you may or may not be aware, from the Federation of Ontario Naturalists, and I thought it was a very compelling brief.

One of our challenges here, as you've seen today, is that we're ranging all over the place with the bill, so we have very little time, unfortunately, to devote to any one area. My understanding of the intent of what the government is doing here is, first, there's no question it is backing off on its funding for conservation authorities. They've made that very clear. They're cutting it from \$34 million to \$10 million and they have said, "We are going to provide funding for two things: flood control"—I think I've got it right—"and \$2 million each year for maintenance of provincially significant conservation lands." Everything else is up to the municipalities.

1750

The second thing they're doing is making it dramatically easier for local municipalities to, I gather, disband conservation authorities by saying, first, we take off the conservation authority any provincially appointed people. You get it down just to the municipal people. Then I think it says they have to have a meeting to decide on this. Then I think the municipalities are faced with an interesting dilemma, because the conservation authority's

funding is cut to a third of what it used to be, so what's their future role?

I'm wondering, does the conservation authority in this area support that portion of the bill that changes the intent of the conservation authorities as supported by the province, and should we be at all concerned about the proposals here that essentially force the vote on the preservation of the conservation authorities?

**Mr Stacey:** A loaded question. I appreciate it, and we'll certainly try to answer it, if the committee members will permit either Ben or me to field some answers here.

I don't think there's any question that the authorities realize that the province wants to get out of the conservation authority business. I guess there's a tinge of regret, if we can afford that in these fiscally difficult times, that a partnership between the province and the municipalities that has lasted 50 years is no longer, certainly, an equal partnership. However, I think we can probably live with that. I say that given the fact that we have taken, I think, an unconscionably large cut. We're obviously trying to focus on Bill 26 here, but I don't think you can remove our recommendations there from the fact that it goes along with a 70% cut to conservation authorities.

I certainly would put the question back to the province: Why among all the transfer agencies were we cut to that extent when other transfer agencies were cut perhaps in the range of 35% or 40%? Clearly, the province does not want to spend money on conservation authorities.

I think many authorities would be pleased to have closer ties with municipal governments. We certainly have in this region enjoyed good regional support, and I don't think we're afraid of strengthened ties, fiscally or otherwise, with our local municipalities. That's why we've asked for some of the changes we have in Bill 26. But we've had a double whammy, if you want, of very deep fiscal cuts that for many authorities will be impossible to sustain, plus the implications of Bill 26 which will, as you correctly say, put municipalities in a very difficult position. It will come down to whether or not they want to maintain the kinds of services that authorities have provided in the past. For the sake of \$10 million or \$20 million, I think it would be a shame to lose this model that has worked so well for so many years.

**Mr Phillips:** I'm personally very concerned about it. I wish that I personally had more time to perhaps understand the full implications of this. That's why we rely on conservation authorities to give us a hint.

What I'm concerned about, and the naturalists this morning raised it in fairly vivid terms for us, is that as the government's going through some very massive cuts in expenditures—we've relied historically on the conservation authorities to be the custodian, if you will, of much of our environment. At the very time that all these changes are taking place, I see the conservation authority's role changing fairly fundamentally in some areas.

Maybe in some areas the municipalities will feel they can muster up the money to step in, but it's going to have to be new money, because you're losing, as you say, 70% of your funding from the province. But I suspect in the environment of all the other challenges they face, it's going to be difficult for them to find new money for



conservation authorities. So we're going to see, I think, the risk of a fairly fundamental change, and when your back's against the wall, sometimes you do some unusual things. I appreciate you've got a really good relationship in this area, but the bill doesn't apply just to this area, frankly.

Are we putting at risk, in your opinion, in any significant way the environment across Ontario with these moves, or should we essentially say: "Look, don't worry about it. It's not that big a deal"?

**Mr Stacey:** I guess, Mr Phillips, I would throw it back to you, and without playing the role of Chicken Little and "The sky is falling," I think there's a very real possibility that there will be areas of the province that will not have authorities in the very near future because of this, because of fiscal cuts primarily. There will also be areas where municipalities will not pick up many of the regulatory and statutory obligations that authorities are currently being asked to do on behalf of the province. I would ask, then, who's going to be looking after life and property should flooding occur and should development that occurs on a watershed exacerbate some of the flooding conditions? The definition of funding that the province is going to continue related to dam maintenance is too narrow and it's certainly a very outdated view of what authorities do in order to maintain and integrate development with the environment.

**The Chair:** Sorry to interrupt, but we have to move into the time of the third party.

**Mr Christopherson:** Your very situation is probably the best example of the difficulty with Bill 26. Ordinarily, even in tough times, the environment is of such importance to the average Ontarian that when anything substantive is proposed to change the rules around dealing with our environment, there's a lot of attention paid. The fact that you've just been sort of lumped in to Bill 26 last here, there's no media here—I'm not faulting anybody except the circumstances that got us to this point, and the government has to bear the responsibility for that. Again, I think there's more and more evidence that there ought to be longer hearings on this and I think the government is going to regret the way they've rammed this through, as they will regret ultimately what they did with Bill 7. However, that is that.

I also think it's important that we look at the example of Hamilton. We have a tremendous history to show the rest of the province in terms of the environment and what happened in the past and what's going on now and what it means for the future. I always point to our Hamilton harbour. That was the key ingredient for the steel industry and then other heavy manufacturing business and industries to come into this area because of the transportation network and the other benefits of being near a beautiful port like Hamilton and then into the Great Lakes system and access to international waterways.

There wasn't too much attention paid to the environment at that time, and when we look now at the billions, literally billions, of dollars that all three levels of government and the private sector are having to cough up now to try to reclaim our harbour, one can see that, had we had a chance to do it over again, I think we would do it somewhat differently, certainly not to the point where we

would deny the industry, because that was the bread and butter of this area in terms of jobs and the economy, but we would be smart enough to realize that putting in some environmental protection would be good for business, good for the community, good for taxpayers in the long run. We learned that lesson.

I agree with Gerry Phillips that there's just not enough time to look at this in the way that it deserves, but my real fear here is that what we're seeing is short-term gain for long-term pain, which is really a turn and a twist on what Tories normally talk about when they're doing this sort of thing; they talk about short-term pain for long-term gain. It's reversed with the environment. They may save a few bucks now, they might make it easier to develop on some lands, and that may create a few short-term jobs, but in the long run, letting our environment go to the dogs is not in the best interests of business, the community or families. It's just not.

My question to you, so that we have it on the record, is worst-case scenario, and I offer up that it be the worst-case scenario. But in that scenario, what sorts of things could we be fearful of in the Hamilton-Wentworth area specifically? Not in generalities, but very specifically to our community, the broader community here, what sorts of things in a worst-case scenario might we be looking at if 26 is rammed through the way it is?

**Mr Stacey:** Perhaps I'll give Ben a chance to start comments on that.

**Mr Ben Vanderbrug:** I would say one of the key concerns we have is the lack of having a local organization that will look after the stewardship and look after the acquisition of environmentally sensitive areas. In our brief we made it very clear that this will be the prime environmental concern in the next century, and people may disagree. Arguments have been made that you don't buy land under these difficult economic circumstances. We take a different point of view: The buying of land, of environmentally sensitive property, is extremely important to the long-term health of this community and to the long-term health of the province. I'm very concerned that that may disappear if conservation authorities don't have the legislation that we have at the present.

**1800**

If I can just make another comment, Bill 26 will certainly have very serious ramifications. However, the amendments that we were suggesting and that the ACAO is suggesting won't cost the province all that much money, and we can work with Bill 26 if these amendments are being made. It's not a big deal. When the amendments are being made, we have the tools to again become an effective organization—mind you, less responsible to the provincial government, but we already are in that mode anyway. We weaned ourselves away deliberately from the provincial purse, because we saw the handwriting on the wall. That's why right now only 10%, and with these cutbacks less than 5%, of our money comes through transfer payments. So we're well positioned to accept that provincial loss. But the potential loss of the municipal funding is crucial to us, and that's where I think Bill 26 needs to be looked at very carefully and where the very practical suggestions we've made for



amendments should be taken into account.

**Mr Sampson:** Thank you very much for coming today. This morning we heard from the people representing the Federation of Ontario Naturalists. While they were concerned with respect to the sale of land, their concern was more with respect to the sale of land that had somehow been acquired by funds that weren't received from the province. I think they realized that within Bill 26 it said that if the land had been acquired by the use of provincial money, the minister must approve the sale of that land.

The drift of their suggestion to us was, "Listen, if we raise money privately and we acquire land using those proceeds, we also have to protect the sale of that property as well." Their suggestion to us—actually, it wasn't in this committee; it was outside—was, I think, that we might want to consider that somehow the people who provided the capital get the say as to whether the property should be sold, most of the money being raised by private donations from various sources. I think one of the ladies who spoke to us this morning had been a provider of significant capital to one of the authorities. Will that deal with the issue of the sale of land and your concern with the sale of significant property?

**Mr Vanderbrug:** I think in our case land acquisition is so important that the sale of land would be last thing we'd looking at as a way of balancing our budget. Especially in an urban area like Hamilton, it is crucial that we protect those lands.

There may be a few surplus properties where we were required to buy more than we really needed, as sometimes happens, where there may be a sliver of land that could be put on the open market. We've set up a special reserve, so the proceeds from that sale would be put in a land acquisition reserve for the purpose of more critical acquisitions. So I don't think the issue of us selling off lands that were supported by outside owners really is an issue, because it wouldn't happen here.

**Mr Sampson:** Let me switch then to the other side of the equation, which is the acquiring of the land and your suggestion to us that we consider something in the form of a debenture. How do you see that working?

**Mr Stacey:** If I could start off, I think one of the difficulties, and I guess there's a strength to it, is that we've had to buy land in today's dollars and pay it up front, even though the land and its uses are of use for many generations to come. I think it's accepted practice in many jurisdictions that even public land sales be spread over the user groups and the generations that will benefit from it. So that's really the intent of asking for an opportunity to debenture rather than have to pay full cash value. Mind you, it's left us debt-free, so certainly that's an advantage, but I think, coming into these difficult fiscal times, debenturing is really an answer.

**Mr Sampson:** I would have thought that being debt-free in these difficult fiscal times was an advantage. It's certainly something I wish we had in the province here.

Would you see the conservation authority being solely responsible for repaying this debenture, or do you see the province having to stand behind the paper, saying, "I'm here too," in case the authority—

**Mr Vanderbrug:** Our land acquisition program, and we are perhaps one of the few authorities still buying land, is almost entirely funded by outside sources; there is no taxpayers' money involved.

**Mr Sampson:** Currently, yes.

**Mr Vanderbrug:** The only concern we have, and I think Mr Stacey alluded to it, is that sometimes that money may not be available at the moment you need it. If at that point you can debenture or go to the bank and borrow and pay it back whenever funding is coming in from outside sources, that is really what we are talking about.

**The Chair:** Thank you. Sorry, Mr Sampson. We have come to the end of the time.

I want to thank you gentlemen for coming forward and making your presentation to the committee today.

**Mr Phillips:** I move we are here for another half-hour.

**The Chair:** I am not going to entertain that motion.

A quick announcement just to let everyone know that I have collected from committee members the confidential police documents which were given to us, and we've handed them back to the police officers. Mr Christopherson did that on his own.

Another note for members leaving on the bus: Could you go there quickly. They would like to get away as quickly as possible.

**Mr Agostino:** You guys don't want to hang around in Hamilton, eh?

**Mr Young:** A point of order, Mr Chair: It is an administrative order, but it is important to me. I was using my notebook computer here for a couple of days and have all my notes for the last two days on it. Today I was told that I couldn't use it. I have had my executive assistant call to the Clerk's office in Toronto, and I realize it is secondhand but they did say it's up to the Chair. There is no rule in the House or anything; it's up to the Speaker in the House, and I understand that is a different issue. But on the road it is a little bit different. It's a very valuable tool, it's fairly unobtrusive, and I would appreciate being able to get a power source to this so I can use it. The battery is run down right now.

**The Chair:** Mr Young, if you will permit me the latitude, I'll consider that on the weekend and make a ruling on Monday morning.

**Mr Young:** I'll bring it with me, just in case.

**The Chair:** The committee is adjourned until Monday morning at 9 o'clock.

*The subcommittee adjourned at 1809.*



## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

### **Substitutions present / Membres remplaçants présents:**

Agostino, Dominic (Hamilton East / -Est L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

### **Also taking part / Autre participants et participantes:**

Christopherson, David (Hamilton Centre / -Centre ND)

Doyle, Ed (Wentworth East / -Est PC)

Ross, Lillian (Hamilton West / -Ouest PC)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



# CONTENTS

Friday 12 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i></b>	GS-591
Hamilton and District Labour Council	GS-593
Wayne Marston, president	
Andy Paterson, vice-president	
Hamilton Steelworkers Area Council	GS-597
Bryan Adamczyk, executive officer	
Federation of Ontario Naturalists	GS-601
John Lounds, executive director	
Marion Taylor, director of environmental affairs	
Lyn MacMillan, volunteer	
Brian McHattie, conservation director, Hamilton Naturalists' Club	
Hamilton and District Chamber of Commerce	GS-606
Lee Kirkby, executive director	
Taxpayers Coalition Burlington	GS-610
Frank Gue, chair, education committee	
Ontario Professional Fire Fighters Association	GS-614
Jim Lee, president	
Patrick De Fazio, president emeritus	
Mississauga Board of Trade	GS-618
Charles Coles, chairman	
Peter Cassidy Consulting	GS-622
Peter Cassidy	
PATH Employment Services	GS-626
Aznive Mallett, executive director	
Sal Vella, president, United Disabled Consumers	
Canadian Union of Public Employees, Local 3906	GS-630
Catherine Hudson, president	
Burlington Chamber of Commerce; City of Burlington	GS-634
Scott McCammon, executive director, Burlington Chamber of Commerce	
Mike Wallace, alderman, city of Burlington	
Ontario Secondary School Teachers' Federation, District 8	GS-638
Jim Douglas, chair	
Ms Betty Ann Bushel	
Ms Bev Wilson	
Police Association of Ontario	GS-643
John Moor, president	
Brian Adkin, president, Ontario Provincial Police Association	
Paul Walter, president, Metropolitan Toronto Police Association	
Dave Wilson	GS-650
Hamilton Region Conservation Authority	GS-654
Alan Stacey, chair	
Ben Vanderbrug, general manager	



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-625

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GS-11



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## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Monday 15 January 1996



# Journal des débats (Hansard)

Lundi 15 janvier 1996

**Evidence subcommittee  
Standing committee on  
general government**

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

Savings and Restructuring Act, 1995

Loi de 1995 sur les économies  
et la restructuration

Non-health-related issues

Questions non reliées à la santé

Chair: Bart Maves  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Monday 15 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Lundi 15 janvier 1996

*The subcommittee met at 0859 in the Senator Hotel, Timmins.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, committee members. Welcome to Timmins. Before we call on our first witness, we have some motions to deal with. The first thing I want to deal with is a request regarding computers at the table by members. There has been a ruling on electronic equipment in the House, and the Speaker has ruled that electronic equipment, phones and notebooks would not be used in the House. No one has yet brought forth a ruling on notebooks at desks and so forth. I've had several discussions with the clerk here and Deborah Deller and some members of the House. I think it's a reasonable request to be able to have a notebook. I think maybe we should come kicking and screaming on committee work into the 1990s. So I think I'm going to allow the notebook to be used.

I do want to express some words of caution at the beginning, though. I don't think—

**Mr Gilles Bisson (Cochrane South):** No video games.

**The Chair:** This is a process where people come forward to the committee and spend a lot of time preparing their briefs. They're sometimes a little bit nervous, as is obvious, just as members sometimes are when they get up and speak in the House. I think for people to be distracted by the use of such things is unfair, and so I would like to read into the record that I would appreciate it if members were conscious of that fact at all times.

I would also like to read into the record that it should be set up beforehand so that we don't have people scrambling under the table with cords and so on while presenters are getting ready.

Mr Young has done all that today, of which I'm appreciative, and he sort of sets the standard for people who will use those in the future. If they are bothersome to the presenter or the witnesses, I think it would be

appropriate for the Chairman at that point in time to ask the member to close the book. But we'll come into the 1990s as of today, I guess, on committee work. That's the ruling I'd like to put forward on that.

Now I'd like to entertain a motion from Mr Phillips.

**Mr Gerry Phillips (Scarborough-Agincourt):** It's becoming increasingly clear, I think to virtually everyone certainly on the committee, but I think virtually everyone in Ontario, that this bill, Bill 26, will in a very major way impact everyone in Ontario. So I'd like to move that:

Whereas Bill 26 will have a major impact on every individual in Ontario; and

Whereas Bill 26 requires broad input before being passed into law; and

Whereas there are 23 groups in Timmins that want to provide input on the bill but only 10 will be heard,

I move that the committee recommend to the government House leader that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged across the province, including the community of Timmins.

If I might just speak on the motion, it's clear—we've now had two weeks of hearings on the bill—that there is an enormous interest in the bill. It's also clear that groups, as they examine the bill, bring forward new perspectives to the committee on the bill. It's also clear that if the bill passes as it's currently structured, it is going to have, I think, some devastating impact on a lot of groups in the province. It's clear to us that trying to pass a bill of this magnitude—and I think everybody in the province realizes it was introduced November 29 and originally was going to be the law on December 14. It's clear that it requires more study.

What we're saying in the motion is, if the government can identify the things that it needs to urgently deal with to deal with its fiscal matters, we're quite prepared to look at that and to pass that on January 29. There's much in the bill that is not time-sensitive from a fiscal point of view. The rest, we think, should be referred back to the committee for further hearings. People like the firefighters are not on today. I think the local conservation authority is not on today, along with a number of other important groups. It's clear that we should be hearing from them.

That's the intent of the motion, which I think is a responsible motion. It deals with the fiscal concerns of



the government to make certain that we have input from the people of Timmins and elsewhere.

**Mr Bisson:** I just want to speak in favour of the motion. It's similar to a motion that we were going to put forward this morning and I think much for the same reasons. I just want to bring to the attention of the members, and it's probably something they've already recognized, having sat on this committee for now going on two weeks, the beginning of the second week, that the more we start to hear people present, the more we're starting to really understand that there is a vast amount of information in this bill that people are just now starting to come to terms with in regard to being able to understand what the real implications of the bill are.

I think it's a friendly motion and the sense is that we're saying we understand that the government has the right to govern, we understand that the government wants to get on with its fiscal agenda. We may not agree with parts of it, but we recognize they do have a majority in the House and we recognize that they should have the ability to do that. I think for that reason the motion reads that those parts that the government feels are really necessary, as we might say to you some of the language of the government, the tools that they need to move forward with their fiscal agenda, that we allow that to go forward on the 29th through the House and to be passed into law so that the government can have the tools that they're talking about when it comes to the fiscal side.

I would just want to say for the record, there are a number of parts within that to which obviously my party would be opposed, as the Liberal Party would be opposed, as far as some of those tools are concerned. But we agree that the government has the right to govern, and if they want to move forward that way, that is their right. But there are a number of other things within this bill that need to be brought to light in regard to what it really means, and some of this stuff has nothing to do with the fiscal side. In fact, there is one particular part of this bill that talks about preventing the use of bands from being able to assemble to play music in public areas. I don't know what that has to do with the fiscal agenda. There are obviously parts that are much more detailed than that, but the point I think is well taken that we need to be able to give people a chance.

The other thing I want to say is that I've had a chance now for about a month to talk to people in our community here of Cochrane South, to the mayors, to the hospital administrators, the hospital board chairs, interested parties at all levels. Just as early as yesterday, I had Mayor Power on our open-line television program and even he, who is a learned mayor, who has been involved in municipal politics for over 20 years, admitted to me and said: "Listen, I don't disagree with everything that's in the bill, but quite frankly I don't understand it. There is so much information in this, to ask me to come to terms with understanding what's in 44 different pieces of legislation is asking a bit much. We need the time to be able to really understand what the implications are for the community."

He raised some concerns, not that he was totally opposed to the bill, but raised some concerns in regard to what that was all about. So I would hope that the mem-

bers would see that as a friendly motion. It is not meant to be one of obstruction. It's one that we would allow the government to go forward with those parts of the bill that are fiscal in nature, and those parts that are non-fiscal in nature would be held back so that the committee can further deal with it and give deputants such as the ones we have here today the opportunity—the balloons are falling. See, they agree. Did you see that? So I would ask that the members support that part of the motion, as it's meant to be one that's complementary.

**Mr Rob Sampson (Mississauga West):** I appreciate the opportunity to speak to this friendly motion again. I think there are a few facts we should get on the record today, certainly as it relates to the procedure that set up the happenings of this committee, if I can say it that way.

It's normal practice, whether we're in government or another party is in government, that House leaders get together after legislation is introduced and determine how much time a certain piece of legislation is going to spend in committee. That's a to-ing and fro-ing negotiation process that starts with perhaps an offer from the government side or an offer from the opposition side.

I think it's important to know that, contrary to what I heard from the table this morning, one of the offers on the table was to have us go to the Friday before Christmas with respect to this legislation in committee time. That was rejected. That would have included committee time hearings, a significant cumulative time of committee hearings.

One of the other ones on the table was not too dissimilar from what we're currently doing. In addition to having a week of layover time between the time at which the committee stopped its public hearings and the time at which it started the process of clause-by-clause review, the concept being offered by our House leader at that time was we wanted to give some time for some thought as to what the amendments would be, and of course that was rejected by the opposition. So I think it's clear, and I want to put on the record, that that process started and that negotiation process was part of what got us here.

The other thing that's important to note is that this particular committee will be looking at this piece of legislation, and the cumulative time we'll spend on looking at this legislation is more than any other piece of legislation in the past two sessions of government in this province. That clearly indicates that yes, we agree that this piece of legislation does need committee hearing time to review its content and respond to the concerns of the public.

We're prepared to receive written submissions from those who have not had the opportunity to speak to us. We've said that in the past. We've gotten now a total of five, if I'm not mistaken. Our side of the table has read those. We're prepared to deal with those items and those concerns when it comes time for the clause-by-clause review and we're prepared to receive further submissions, even if they come to us on Friday night at 9 o'clock, being the last time slot for us in our public hearings this week.

0910

It's also important to note, by the way, that I think more than twice we've had the same person at the committee table in two different cities. I would encourage



those who are presenting over this week that they should give consideration to that fact and perhaps yield to those who have not had the opportunity to speak to us at the committee table.

I think it's also important to notice that this government side is not responsible for determining who gets a chance to speak to us at the committee table. It's determined via a process that was agreed to by all the members of this committee. They've all agreed to it and it's the process that we're following and it's the process that I believe we should continue to follow, the fairest one of all.

We are listening. I want to make sure that the people Timmins realize that we are listening, that we are giving consideration to their input and their concerns. Frankly, we want to hear from the rest of Ontario, certainly northern Ontario, before we sketch out the depth and breadth of future amendments.

I think it's important that your word be heard before we start to give the details as to where we feel the amendments should be placed and, as I say, what the depth and breadth of those amendments are.

I think it's important for us to move ahead and hear those issues and concerns. I will say that we will be voting against the particular motion and I look forward to hearing the presentations in Timmins today.

**The Chair:** Before we vote on this motion, I would like to welcome Mr Klees from York-Mackenzie, Mr Bisson from Cochrane South, Mr Wood from Cochrane North and Mr Brown from Algoma-Manitoulin to the committee.

Voting members this morning are Mr Silipo, Mr Phillips, Mr Gerretsen, Mr Tascona, Mr Sampson, Mr Klees and Mr Young.

I'd like to put the motion.

**Mr Tony Silipo (Dovercourt):** Recorded vote.

#### Ayes

Gerretsen, Phillips, Silipo.

#### Nays

Klees, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

We have a similar motion, moved by Mr Silipo, which I'll rule out of order because it's very similar and would entail the same debate as Mr Phillips's. We have a third motion, by Mr Silipo, which is in order, Mr Silipo, if you'd like to move that motion.

**Mr Silipo:** Whereas there are only five days remaining for public scrutiny on Bill 26; and

Whereas public interest in this bill has been overwhelming; and

Whereas the vast majority of presenters to the standing committee on general government have recommended major changes be made to the bill;

I move that this committee recommend to the government House leader that the 40 individuals and groups that requested to appear before the standing committee on general government in Timmins be given the opportunity today to see the government amendments to Bill 26.

**The Chair:** Would you like to speak to the motion?

**Mr Silipo:** I would. Just briefly, in addition to the issue of the time for the hearings, which has been dealt with through the previous motion, and I won't belabour that point, there clearly have been, as our motion indicates, already from the presenters we've had in the first two weeks of hearings in Toronto and throughout the southern part of the province, a number of suggestions made for amendments which reflect the overwhelming opposition that there is to the bill and the overwhelming concern that there is about many of the provisions.

We've begun to ask, certainly, the members of this committee from the government side to give us some inkling of what it is that they're prepared to do by way of amendments. So far, that hasn't happened. I understand that the standing order that created this committee and this process has a particular time line in terms of officially tabling with the committee the government amendments. I believe that's later this week, and this motion doesn't attempt to change that.

But what this motion attempts to do is to suggest that it would be useful for the members of the government to indicate to the presenters what amendments they're prepared to make, because in doing so it seems to me we will know whether they are prepared to go far enough to appease a number of the concerns that we've heard throughout and which I assume we will continue to hear in Timmins today. If not, I think that people ought to know that.

I think it's clear, certainly from what I'm aware is happening, that the government has already considered some amendments. We know that discussions have taken place in the inner cabinet at least, presumably in cabinet as well, so there have been some indications given of some amendments.

We think it would be useful for those amendments to be out in the public arena as soon as possible so we all know what it is we are dealing with in terms of the government's willingness to make changes to this draconian bill and know, once and for all, whether they really have listened to the presenters before us who have, in community after community, made it clear that the provisions of this bill go far beyond what is necessary to deal with the fiscal problems in this province; that the unilateral claiming of powers by ministers away from the Legislature is undemocratic and unnecessary; that the enormous powers being given to municipalities to tax by way of user fees and by way of any number of direct taxes go far beyond what even municipalities themselves are saying they want, as we've heard so far, let alone what the general public would want and let alone the commitment that the Tory government made to the concept of one taxpayer and lowering taxes, not raising them or not shuffling to someone else the responsibility; and many, many other issues that I won't list at this point, but simply to make the point that if the government members have really listened, if the government has listened, it's incumbent upon them also to start responding.

The earlier they do that the better, because then it will make the rest of the committee process, I believe, much more meaningful than if we simply have to wait until the end of this week or next week to know exactly what the government is prepared to do by way of amendments.



**Mr Sampson:** I think I spoke to the item of listening to the deputants in northern Ontario. I'm new in this House since June of last year, and many times I've sat listening to the debates of the members from the northern ridings that told me, and I firmly believe, that northern Ontario has a different perspective. I want to hear that different perspective before I, as part of this committee, start to sketch out the depth and breadth of the amendments that are necessary to respond to the concerns raised by Ontarians, including Ontarians from northern Ontario.

We will deal with the issues and concerns that are raised. We are indeed listening. No decisions have been made with respect to the depth and breadth of amendments to this point in time and, as I said, we're not crafting those until we've had the opportunity to hear from all of Ontario. I think that's fair to the voters across this province, from the north to the south and the east to the west. I'm prepared to bring those amendments forward when the deputants have made the deputations and had their air time with us.

**Mr Phillips:** We're going to support Mr Silipo's motion. I just say to the government members who say, "We're going to wait till we hear from everybody before we propose amendments," that Al Leach, the Minister of Municipal Affairs, came in the very, very first day, December 18, and five minutes into his presentation he said, "I intend to introduce an amendment providing that a commission will only be appointed by the province when it's requested." Then he went on to say, "I'm going to make amendments in another area around personal liability."

It's hogwash to say that the government is waiting until 9 o'clock this week before it considers the amendments. Al Leach said, on December 18, he had the amendments already drafted. The reality is that you don't want to show us the amendments because you want to minimize the debate around them and you'll hold out hope for everybody in the province that: "Don't worry. This bill will be amended the way you want it. What's the big rush and hurry?" The fact is that on Monday morning, a week today, at probably just about this time, we're going to see all these amendments and the government will ram them through.

0920

I think a far better process—as a matter of fact, that day we asked Mr Leach if he would table those amendments, and that was back on December 18—to me, a far more orderly process is—because he's already got the amendments written; he had them written a month ago—to table them, let people when they come and present know this is the government's intention. But no, it's part of this process to just keep the opposition away from the debate, keep the public away from the debate and ram the bill through.

Mr Silipo's motion is the right one. The government is preparing these amendments, and they've been preparing them, believe me, since before December 18. Let's see them so we are debating what the government's intentions are and not wait until the last moment to table them all and then have very little debate over them.

**The Chair:** Thank you, Mr Phillips. I'd like to put the motion now.

**Mr Phillips:** Recorded vote.

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Klees, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

We'd like to begin proceedings this morning now. Can I have representatives of CUPE Local 210 please come forward.

**Mr Joseph N. Tascona (Simcoe Centre):** Excuse me, Mr Chairman, I have a written submission that I would just like to table with the members of committee. It's from the corporation of the township of Springwater on Bill 26, and I would just give that to the clerk at this time.

**The Chair:** Thank you, Mr Tascona.

#### CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 210

**The Chair:** Good morning, gentlemen, and welcome to the standing committee on general government. You have a half-hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive response and questions from the three caucuses. I'd appreciate it, for the benefit of Hansard and committee members, if you'd introduce yourselves before you begin your presentation.

**Mr Gerry Phillion:** Good morning. My name is Gerry Phillion and my colleague is Lenny Lemieux. We are members of the Canadian Union of Public Employees and we are very concerned about the possible effects of Bill 26. Because of the numerous aspects of this bill, I will speak on only a few of them.

The basis of the restructuring of municipalities is to change, first, the way in which services provided; second, how services are paid for and by whom; and third, how decisions are made regarding provision of services.

A critical implication of schedule M will be the retreat of the provincial government from its responsibility to ensure that services are accessible, affordable and equitable. It is clear that this government wants less government involvement and less spending on services. This is obvious from the recent financial statement in which it announced that it would cut total municipal spending by 47.9% or \$657 million over the next two years.

Put simply, essentially the provincial government will be offloading its responsibility to provide services onto the municipalities. Municipalities will have no choice but to either increase taxes or expand and increase user fees and other levies—most will probably do both. This will only fuel the push towards the contracting out and privatization of services.

The intent of this part of Bill 26 is to provide the Minister of Municipal Affairs, and any restructuring commission appointed by him, with wide-ranging powers. It is particularly abhorrent that the regulations pertaining to Bill 26 are not yet set and that so many of the powers



of the minister and the restructuring committee will be set by regulation. Therefore, the full impact of the bill will be even worse than it currently appears.

An overriding feature of Bill 26 is the creation of significant new ministerial powers to jurisdictionally restructure local communities. Bill 26 will force the annexation, amalgamation, separation, joining, dissolution or incorporation of municipalities if it is deemed appropriate or necessary by the minister.

Restructuring can be initiated either by the minister alone or upon receiving a restructuring proposal from a municipality, a local board or a commission established by the minister. Any such restructuring proposal must fit within the definition laid down by the minister.

If one municipality or local board in a locality does not want amalgamation but another does, the minister will initiate a restructuring commission inquiry based on a proposal from one municipal body, despite the wishes of others in the same locality.

Once a restructuring proposal is accepted by the minister, then the decision is binding on all parties involved. The regulations pertaining to the restructuring must be accepted by all levels of municipal government, from the upper-tier to the lowest board.

The Ontario Unconditional Grants Act is being replaced with the Ontario Municipal Support Grants Act. Bill 26 will give the Minister of Municipal Affairs and Housing the power to decide what standards of service municipalities must meet as a condition of receiving provincial grants. Clearly, municipalities and boards would be forced to comply with standards imposed by the minister if they are to continue to receive such grants.

If a municipality fails to comply, the minister may also have the municipality repay the grant and a municipality which does not meet these standards can be cut off from further provincial funding. Bill 26 will give the minister free rein to exercise this authority with no scrutiny by the Legislature.

If a lower tier of municipal government opposes the contracting out or privatization of a particular service when it has been deemed appropriate or necessary by the minister, the municipality could be penalized or forced to conform to the minister's wishes. Such measures will obviously deter municipalities from implementing progressive changes that do not fit the regulations or criteria established by the minister.

The bill, if passed, will effectively muzzle municipal politicians who may oppose a proposed restructuring in their community. Contravention of a regulation by municipal representatives could result in their being held personally liable if the municipality is deemed to be adversely affected financially by their refusal to comply with the regulations. This will serve as a further deterrent contravening the regulations set out by the minister.

This implication is especially odious since the capacity of local public officials and councils to protect vital public sector jobs and services according to local needs will be virtually abolished. Municipal councillors will either be forced to swim with the right-wing current or have a heavy price exacted on themselves and the constituencies they represent.

This muzzling of elected officials will mean that CUPE locals may no longer really be negotiating changes with their direct employers. The province, through either the minister or the restructuring commission, will set the agenda for change and municipalities will be obligated to implement the changes. The province will be the ghost behind the bargaining table. Normal labour relations will be effectively stymied. Unions will lose.

Perhaps the most alarming feature of the omnibus bill for municipalities is that they will be encouraged to, and in many cases coerced into, contracting out and privatizing services now provided by unionized municipal sector employees. In the name of efficiency and cost reduction, many municipal workers will face direct threats to their job security.

Furthermore, unions and collective agreements will be threatened by the bill's potential to override successor rights provisions and other protections in collective agreements. Any restructuring regulation imposed by the minister would prevail over such labour relations provisions as long as they comply with the Municipal Act. This potential to override other legislation also applies to the minister's power to exempt a municipality from other legislation during any form of restructuring, including amalgamations. This would include school boards, library boards and public utility commissions among others. Without successor rights, the damage that such regulations could do to workers and their unions is incalculable. Long-time unionized employees would lose their seniority, wages and their jobs without successor rights protection.

"Lastman said last night that he will slap user fees on 'just about everything that moves' after the bill becomes law."

Bill 26 will push municipalities to increasingly provide services on a cost-recovery basis. By cutting provincial financial assistance, municipalities are forced either to cut costs by reducing or eliminating services or to raise more revenue.

Bill 26 provides them with greater power to raise revenue through licensing fees, user fees and taxation. Less obvious ways of raising revenue from users of the services include provisions to encourage contracting out and privatization of municipal services. In both cases individual Ontarians will find ourselves paying directly for many services previously supported by our local and provincial taxes.

When we consider the total effect of such a shift on average and low-income taxpayers, the regressive implications of user fees become very clear. Income taxes collected by the provincial government are largely determined by a progressive, graduated system which draws more revenue from wealthy taxpayers who can afford it. In stark contrast, user fees apply as a flat tax on all users, regardless of their income or ability to pay. Of course, the result will be that such fees will make important public services completely inaccessible to Ontarians with modest or low incomes.

**0930**

In particular, user fees and licence fees will become a primary means of raising municipal revenue. For example, the conservation authorities have been slashed



by 70%, and their levies on municipalities are limited. Therefore, those that survive will be required to introduce or increase user fees.

Municipalities and local boards, with the exception of school boards and health boards, are given wide-ranging powers to pass bylaws imposing fees or charges on any class of persons. Furthermore, there is no process by which fees can be appealed.

Direct taxes could include road tolls, income taxes or even a poll tax. The poll tax, or head tax, is a flat rate tax in which every person or household pays the same amount regardless of income or property value. Municipal poll taxes have not been seen in Canada for over a century. So far, the Minister of Municipal Affairs and Housing has been unable to clarify the intention of this part of Bill 26.

Citizens will have no avenue for appealing charges and fees which they consider unfair or unjust. Bill 26 will change the Municipal Act to prohibit applications to the Ontario Municipal Board to review fees charged by the municipality.

Municipalities have also been given much broader powers in licensing and regulation. Bill 26 will give municipalities a general power to license and regulate any activities other than certain manufacturing. This replaces sections of the Municipal Act which spelled out the specific activities which could be licensed.

As well as potentially broadening the range of activities for which a municipality requires a licence, Bill 26 will remove any limitation on the amount that can be charged for a licence fee. It also makes clear that licence fees can be charged as a means of raising revenue, not simply to offset the administrative cost of providing the licence.

Public services should be universal and accessible. User fees and other charges would only place barriers between the services and the most disadvantaged in our communities. The quality of life within the community is bound to suffer and the disparity in services across Ontario communities will grow even deeper.

No one can calculate how much Ontarians will pay in new charges, user fees and local taxes. These costs will be determined in part by provincial regulations which have not yet been set and in part by the decisions of individual municipalities and local boards. However, it is clear that Bill 26 is a green light for municipal politicians who, like Mel Lastman, intend to slap fees on just about everything that moves.

The demand in the bill for audits and efficiency reports will become instruments to move municipalities along the road to contracting out and privatization. Depending on the methods of accounting and bases for comparison required by the minister, these inspections could be framed to disadvantage publicly provided services and make them appear inefficient.

The enormous cuts in provincial funding will strengthen the hand of corporations seeking to find new markets by taking over publicly provided services. Many municipalities will see privatization of services as an attractive option for reducing costs. However, privatization does not mean that the costs go away. It simply

means that individual citizens pay for these services privately instead of through their tax bill.

Municipalities will be increasingly pressured to tender bids for services provided by municipal employees. At the same time, decent-paying municipal sector jobs will be replaced with low-wage, non-unionized jobs. Under such circumstances, service quality can only suffer.

Because revenues to municipalities has been severely reduced by recent government transfer cuts, municipalities will be tempted or coerced to sell off utilities or services as a means of quickly obtaining revenues. Under such circumstances, all forms of contracting out and privatization are likely to increase, resulting in the longer-term deterioration of the quality of life of our communities.

In particular, Bill 26 contains several provisions which specifically target the boards and commissions currently governing our local public utility infrastructure. For example, under section 33 of schedule M, the bill proposes the waiving of the electoral assent which is currently required for a municipality to exercise a power—such as the dissolution or elimination of a local public utility—under the Public Utilities Act. This amendment is matched by an identical waiver of such rights under section 223 of the Municipal Act, which specifically identifies sewage works.

Both of these changes would operate in conjunction with broad new powers given to municipal councils to alter or eliminate local boards simply by passing a resolution. Taken together, this set of amendments has one clear purpose: They would enable municipal councils to proceed with contracting out and outright privatization of indispensable public utilities without first gaining the agreement of local citizens.

The first and most obvious objection to this amendment is that it has stripped Ontario citizens of one small but vital role in the democratic management of their community. As it stands, there are already very few opportunities for local voters to exercise control over local government between elections. Moreover, enacting such a significant change as the dissolution or privatization of a public utility should require more public scrutiny and review, not less. The privatization of a public utility, whether it is electricity, water, sewage or any other, would involve long-term changes with potentially disastrous consequences for consumers. Surely such a decision is precisely the type which should require demonstrated public support. None the less, this government has made it clear that it is ideologically committed to the goal of privatization and seems indifferent to the potential costs.

For example, there is overwhelming evidence that when public utilities are privatized, consumers lose significantly as narrow private interests gain monopoly control over a captive market. The most thoroughgoing example of utility privatization to date has been in the United Kingdom, where privatized water and sewer utilities resulted in massive increases in rates. Water bills increased by 74% in the first five years alone.

Under the headline, "Britain is no longer a Model Case," the International Herald Tribune, May 16, 1995, reports that privatization of electrical utilities has been a



disaster: "Fat bonuses and paycheques for the executives, large-scale layoffs in the industry, increasing bills, and what is perceived as a deteriorating level of service have combined to swell public anger against the companies and the government."

In the electricity sector, profits for the private firms rose 108% in privatization between 1990 and 1994. This bill has made such a scenario that many private firms are hungering for control of these services.

Advocates of utility privatization try to focus on the cost saving supposedly available to revenue-strapped municipalities, but the fact is that local utilities are usually important sources of revenue for local governments. They provide net financial gains, which are then used to help provide a broad range of local services to citizens. After considering privatization of its water, sewage and electrical utilities earlier this year, the city of Calgary rejected the plan. They found out that, put together, the three utilities earned over \$1 million each year, which the city then allocated to other public purposes.

For Ontario municipalities, losing these revenues would only serve to leave them even further starved of cash, forcing them to cut still more vital services. Taxpayers will be unable to help, as their costs will be escalating rapidly when user fees begin to multiply as they did in Britain. It would be a clear financial loss for consumers and municipalities. The only winners would be the tiny minority able to pocket the profits.

Finally, the privatization of key public utilities introduces another serious risk: the loss of public accountability, perhaps permanently. Utilities such as electricity, water and sewage play a critical role in our communities and they are managed such that prices will remain reasonable, management can be pursued in the public interest and voters can have input if the quality of the service declines. All of these roles will be eliminated if their utilities are sold off.

Moreover, in those cases where private operators are bankrupt, which has happened in other jurisdictions, the costs are borne yet again by taxpayers and consumers, as the local government is forced to clean up the mess. In this context, these provisions of Bill 26 would eliminate one small element of public input in local governance and, in doing so, make it very likely that citizens will lose further when their democratic role in the management of local utilities is handed over to profit-seeking private firms. What is worse, it appears that this was the explicit intention of the government in proposing these changes.

We, like all members of the Canadian Union of Public Employees, say scrap this bill. Otherwise, public services, programs and infrastructure will be irrevocably dismantled, democratic institutions and standards will be destroyed and Ontarians will suffer incalculable harm. This is anti-democratic legislation which turns a blind eye to the traditions, values and institutions of our province.

0940

**The Chair:** We have just less than three minutes per caucus for questions. We'll start with Mr Bisson.

**Mr Bisson:** Thank you very much for your presentation. We don't have a lot of time, so I'll jump right to it.

I looked at your presentation and listened intently and at the same time I also looked at the Common Sense Revolution, issue whatever. That was the fourth printing, out last year.

There are a number of parts in this Common Sense Revolution that, if I was a member of CUPE Local 210 and going into the last provincial election, I would have looked at that and said, "Jeez, you know, I think there's some good stuff here for my members." It said, "Historically, municipalities have responded to provincial funding limits by simply increasing local property taxes." On the same hand, in a government document here, the Minister of Municipal Affairs and Housing is agreeing that municipalities will have to raise municipal taxes by 4.8%, which I'll get to a little bit later, but here's the interesting part: "There may be numerous levels of government in this province, but there's only one taxpayer, and that's you. We will work closely with municipalities to ensure that any action we take will not result in raising local property taxes." They go on to say, "With your help, we are ready to listen, to learn and to work with anyone who wants to join us and who can show us a more creative and efficient way." The question I'd have for you is, has anybody contacted you from the government about Bill 26 in order to solicit your views about how we can do things smarter?

**Mr Leonard Lemieux:** No, they haven't.

**Mr Bisson:** Did you expect that they may contact you at some time?

**Mr Lemieux:** No, I never expected it.

**Mr Bisson:** One of the things you talked about is again in the Common Sense Revolution: the whole question of the downloading of responsibility. I wonder if you can maybe expand on that, because the point you make in that presentation I think is a good one: that what this basically does is to force municipal governments to follow the Conservative agenda. Do you want to expand on that a bit?

**Mr Lemieux:** I think our biggest fear is that if municipal governments do follow the Conservative government, they will not raise taxes. That was the bottom line when this municipal government was elected. If they don't raise taxes, then they're going to have to reduce services, and the only way they're going to reduce services is by eliminating jobs. There is no other way to do it. We're cut to the bone already as far as the workforce goes.

**Mr Bisson:** On the privatization, I guess the membership in your local must have a certain amount of fear that in the document, Bill 26, there are a number of sections that make it a lot easier for the municipal government to privatize certain parts of a municipal government. Are your members looking at any of this in regard to how they plan on dealing with it?

**Mr Lemieux:** It's a very real fear with us. They haven't privatized anything yet, but we can see it coming. There are new environmental green boxes. What they do now is, that's been contracted out. It wasn't even offered to our members. They just went ahead and got an outside contractor to pick up all the recyclable materials from the city.

**The Chair:** Sorry, Mr Bisson. We've come to the end of the time. To Mr Klees for the government caucus.



**Mr Frank Klees (York-Mackenzie):** Thank you, Mr Philion, for your presentation—very thoughtful, and some very good points made. I want to deal with your comments specifically relating to the restructuring issue that you expressed some concerns about regarding municipalities. As Mr Phillips indicated at the opening of this hearing today, the Minister of Municipal Affairs in his presentation to this committee stated that he would be introducing an amendment that would provide that a commission will only be established if it's requested by one of the local municipalities or by petition from the local municipality.

You're concerned that restructuring may be imposed by the province without local input. Given that amendment, how would you like to see us position this so that there might be an assurance of even more local input?

**Mr Lemieux:** I'm not sure I understand the question.

**Mr Klees:** You expressed concern that the restructuring of a local municipality would be top-down, would be driven by the province. What would you like to see happen with regard to this bill to ensure more local input?

**Mr Lemieux:** I'd like to see especially the municipal locals get involved. Some of our input might help, especially if it came to working together with the municipality—I think that would be the key—instead of always being told what to do, if we had some input even in the lower levels. Then the municipality and us could do maybe a joint presentation to the government, and whatever's best for the community, that way.

**Mr Klees:** Your concern is more that you have input at the local level and that there's more dialogue at the municipal level with groups such as yours so the province would have that feedback.

**Mr Lemieux:** Exactly.

**Mr Klees:** You're pleased that there will be an amendment introduced that the initiation for restructuring will have to come from the local level?

**Mr Lemieux:** I'd have to be pleased with any amendment that would give us any input at all.

**Mr Phillips:** This is a very fine presentation, I must say. It in one document encapsulates many of the concerns we've heard around the province, and I commend your organization for doing it, particularly around what's called schedule M.

My question is to try and get from you a feeling of how you see things unfolding in the future. The government has said it's going to cut support to municipalities. That support comes from province-wide taxing, province-wide revenue sources. They're going to cut the funding to municipalities, then they're saying to municipalities: "You're going to have to make it up some way or other. You can cut services, you can deliver them more efficiently, or you can charge fees, licences and taxes."

Tomorrow in Metro Toronto, a report called the Golden report will be issued calling for a municipal gas tax to fund services. As you look down the road, realizing this government is intent on more of the services being funded locally from things like municipal gas taxes, municipal sales taxes and fees, what do you think that's going to do to services in areas that may not have as strong a tax base as other areas of this province? In the Metro Toronto area they've got a pretty good local tax

base; it could raise a lot of money through a local gas tax. But what's the implication for areas that have less access to those sorts of taxes? What do you see happening to municipal services?

**Mr Lemieux:** With a small community like ours, there really is no great tax base, as you said. Already the municipality has started with tipping fees at the garbage dump. Depending on the size of the load brought in, you have to pay for that. They also have added a sewer tax since 1992 which we never had before. We pay user fees for ball diamonds, which there aren't enough of. For the arenas, prices are \$100 an hour for ice rentals. We live up north and we don't have any museums or anything like that. Well, we have one museum, but we have no opera, no cultural facts. If you don't get involved in sports or outdoor activities, there's not much to do up here.

**Mr Phillips:** Your brief does a fine job of painting the future for us. By the way, I think you're right on privatization. The idea is to get a fee on something, start that fee coming in, and then, to use the financial jargon, you sell off that stream of revenue to someone. When Mr Leach presented—

**The Chair:** Mr Phillips, can I leave that as a statement. We've come to the end of the time; I apologize for having to jump in. Thank you, gentlemen, for coming forward and making your presentation to the committee today.

0950

#### MICHEL LABELLE

**The Chair:** May I please have a representative from the CAW come forward. Welcome. You have half an hour to make your presentation, which you may use as you see fit. You may wish to leave time for questions from the three caucuses. I'd appreciate it if you'd introduce yourself.

**Mr Michel Labelle:** I'd like to welcome the committee to Timmins. My name is Michel Labelle, and I'm a CAW organizer. My presentation will touch briefly on what it means to labour in the province with the passing of Bill 26. We've tried to take a look at all the legislation and break it down and bring up the important points, and we've listed points we have particular objection to. My presentation will mainly be generalized, because 36 amended acts, some of which are complex and have repetitive content, would take weeks, if not months, to study for the purpose of analysis.

The breakneck speed the government is moving at leaves me reacting, unfortunately, to what I don't like about the jumbo bill. I know there must be some positive aspects in the new legislation, but how can I be positive when there's no time to look at what can be good in its content? The time restriction in passing this legislation is an especially strong objection. This cannot be emphasized enough. Anywhere you see an asterisk in the presentation is where we have a strong objection. I didn't look at all the schedules, for time reasons, and I want to hit the things we really object to.

Schedule J is the amendments to the Pay Equity Act. Interpretation: The nine amendments we have listed make



serious changes to the Pay Equity Act. Women who were previously left out of the original Pay Equity Act prior to 1994 were covered under the proxy and proportional provision amendments. These have been abolished.

Pay equity means that wage levels for female-dominated job classes and male-dominated job classes were compared for the purpose of establishing equal value in the same workplace and under the same employer. In short, the proxy provision was a way of determining the level of pay for women who work in areas with no male-dominated job classes of equal value. This means that the many women in the areas of day care, nursing homes and the like, already in low-paying jobs, will lose the right to fair pay.

By removing the proportional provision, women will also lose the right to compare their wage levels with male-dominated jobs in the same workplaces. This provision looked at jobs performed by men and, for the purpose of pay equity, at levels of skill, effort and working conditions to establish fair wage levels for women. This is the "common sense" spirit in this bill: to cut child care and health care expenditures, and do it on the backs of working women.

Schedule K amends the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act. These amendments put certain roadblocks for citizens to access documents. The head of an institution will have the right to deny access to information on the grounds that he "is of the opinion" that the request is "frivolous or vexatious." The act does not define these terms.

This act will also make it easier to dismiss any appeal when access is denied. If access to information is granted, it will have a pricetag attached. There will be new user fees, such as labour costs to search, the preparation of records, "computer and other costs," "shipping costs" and "any other costs...in responding to a request for access to a record." These new fees will be set by regulations not yet disclosed.

These amendments threaten the freedom of information rights of citizens and access to information about the government and its activities. Access to information will be out of reach for impoverished and low-income Ontarians, effectively taking away their rights and freedom to information. Fees will act as a deterrent for those who can pay. This is not the "more for less" commitment in the CSR, but is less for more.

Schedule L amends the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act. These amendments effectively exempt these two acts from the law that applies to other plans, provisions requiring that pension plans be wound up in whole or in part when a significant number of people with the plan are terminated. The amendments nullify the rights of the superintendent of pensions or a court to order the windup of the public service pension plan or the OPSEU plan. These powers are unilaterally transferred to the Lieutenant Governor in Council, with no legal recourse. The bill provides handsomely for all government officials' legal protection. This government has the audacity to try to do this with prior knowledge of significantly reducing public sector jobs.

These changes make it very easy for the government to downsize or privatize with total disregard of public service employees. This is done by stripping them of pension rights they normally held under the law. These actions also will prevent employees who are short of a full pension to grow in to an unreduced pension. Winding up pensions is expensive, so a nickel-and-dime government is doing what it knows best: hurting those who serve, and implementing new laws to do it.

Schedule M amends the Municipal Act and various other statutes related to municipalities, conservation authorities and transportation. I would like to remind you of the opening statement that this schedule is complex and extensive, so I will comment only on important parts.

Schedule M makes a total of 70 amendments to the 12 statutes relating to municipalities, conservation authorities, transportation, the Municipal Act, and even the Bread Sales Act. Some of these amendments give the Minister of Municipal Affairs new powers to facilitate the restructuring of municipalities. It also can be said that it clears obstructions to privatize our municipal utilities and—you guessed it—position municipalities to introduce new user fees.

Though contracting out municipal services is currently allowed, it is not done without referendum. Schedule M changes this. It also allows for privatization of our public services and selling of our assets without referendum. This is unprecedented in our province. Municipal restructuring will be legislated and bypass public involvement. All is fair game under this new bill, and there is danger that restructuring of cities, towns and the like could lead to increases in property taxes, the reduction of services and the quality of those services. The restructuring would be done or developed through a commission directed by the Minister of Municipal Affairs. Unanimity of municipality boards will no longer be required. Public meetings will no longer be required under this new Municipal Act.

This bill allows user fees, cuts to levies for conservation authorities, and restricts them to charging municipalities an amount equal only to provincial contributions. The conservation authorities have been slashed by 70%. Funding for our parks will be at the mercy of voluntary municipal contributions. The long and short of these implications is simple. The government wants to give us a tax cut on one hand and download to municipalities the unpopular decisions of charging fees for all kinds of services. Harris will look good, and our mayors will be the fall guys. They even provide, through subsection 220.1(2), for municipalities, the right to "fees and surcharges that are in the nature of a direct tax for the purpose of raising revenue." Talk about giving it out of one hand—and here's a twist—and municipalities taking it out of the hand it's just been given to.

The CSR, page 5, says: "We will work closely with municipalities to ensure that any actions we take will not result in increases to local property taxes"—another Tory lie.

There are other crucial matters in this bill that time restriction does not allow us to address, but I will in my summary.

Schedule O amends the Mining Act. This is also a very extensive schedule, lengthy and in parts very obscure. It



should be studied carefully, bearing in mind the power it affords to those it should regulate, with emphasis on past and present performance and historical records.

There are 39 amendments to the Mining Act. The act changes the closure plan review and approval process and allows mining companies to self-regulate when it comes to closing mines. Mining companies only need a professional engineer, a company financial official and the company board of directors to sign off. Ministry approval is no longer needed. Companies that propose new mining projects are currently bound to file mine closure plans to be reviewed and approved by the Ministry of Mines. Financial responsibility is an important factor to the closing of mines. The law allows for a combination of cash and letters of credit set aside to deal with the aftermath of environmental problems should any arise. Under Bill 26, companies won't have to put up actual cash.

1000

Companies at 90% of production capacity would be on a system of self-assurance. We've seen what happens when we do that. In the area of Timmins, we have a hole right now that was supposedly to be cleaned up in an experimental mining project, and I invite you guys to go take a look at that. It's behind a green fence; out of sight, out of mind. Mining companies can, at their option, request the ministry for a fee-for-service approval process for mine closure plans. Companies that may be trying to avoid future liabilities might use this service, but what about the fly-by-night operators? I guess they will download the cost of cleaning up their messes to Ontarians. This is irresponsible of a government that shouts about fiscal crisis. How will the ministry or Ontarians know if environmental provisions are properly dealt with if there is no scrutiny or analysis of mine closure plans?

Changes to the freedom of information act are being made to exempt the form of financial assurance and financial information submitted by mining companies relating to the establishment of financial assurances. Now we're being left out of the scrutiny process. We have health concerns such as contamination of drinking water, lakes and rivers. Our forests and crown lands should not be trusted to people who care more about profits than resources without being accountable to those we have elected and by extension to Ontarians.

Schedule P, amendments to the Ministry of Correctional Services Act: These amendments change the quorum on a parole board from three to two. If they cannot agree on a matter, question or thing that they have examined, the board shall re-examine the matter, question or thing. There is no mention of a third board member being required to break a tie. Hypothetically, the board of two could rehear the matter over and over without reaching consensus. It is somewhat idiotic to bring this up, but nevertheless the possibilities of what is implied are real. It shows that when you rush, you make mistakes in a very simple and straightforward example. It shows how little thought was put into many segments of this bill.

This is but a cost-cutting measure with no assurance that the moneys will be reinvested in correctional services. This flies in the face of an excerpt from the CSR, page 8, which states, "Again, any savings we find in our

justice system through greater efficiencies will be reinvested to ensure public safety in our streets and in our homes." Bill 26 is about savings and restructuring; therefore we can assume that the savings are going towards deficit reduction.

Schedule Q, amendments to various statutes with regard to interest arbitration, and you know the acts that are being amended there: The interpretation of this is, this schedule is very significant because it requires arbitrators to consider the employer's ability to pay. That's in arbitrated cases for wages. The perception is that in relation to bargaining wages, the employer declares the amount he is willing to pay in lieu of the amount he is able to pay and does not honestly engage in collective bargaining, and he knows full well that the arbitrator will tend to favour the employer's position because of the law. Again, we see a door opened by the provincial government, hoping that the blame will be shouldered by municipalities for the reduction of wages to women and men employed in the public sector. This happens with the ink of the CSR still not quite dry: "We will sit down with municipalities to discuss ways of reducing government entanglement...as well as unfair downloading by the province." What happened to the promised discussion? I guess they forgot the clause about the fact that they would have to be forced to do this. We need to say it again: The downloading promise was not kept. These changes are anti-union and anti-people. This is where the government and its ideology are at their best.

Summary: Pay equity was established because of a deficiency in women's wage scales. Today, under the best that democracy may offer, women are still subject to being dominated by a man's world. It is a socially accepted injustice. This injustice permeates every facet of our society, even in seemingly innocent ways, like the need to compare women's wages to men's to formulate legislation, instead of letting women stand on their own merits. Bill 26 says pay equity legislation is regressive. It leaves a subtle but strong impression that government believes women are still second-class citizens and that it's time they be put back in their place.

We strongly urge that the municipal freedom of information and privacy act be kept whole, unmarred, unfettered and accessible to all Ontarians.

The amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act are totally unacceptable. They fly in the face of terms used when bargaining, like "good faith," "decency" and "fair pay." How can you do this to your own employees who have entrusted you with their future and their pension rights? If you do, then all our pension rights are potentially at risk in the near future.

Now we address the "pass the buck act," the municipal section of the bill. Massive restructuring and amalgamation of municipalities in rural and remote areas of Ontario are definite possibilities. This threatens the amount and quality of services and will further isolate areas already experiencing isolation. Another important consideration is the dictatorial aspect of decision-making, taking the right to decide out of the hands of local people who have an understanding of the needs of their communities and giving these rights to the Minister of Municipal Affairs.



Let's not forget new taxes, spelled U-S-E-R F-E-E-S, from our government that believes a promise is a promise is a lie.

I must mention the people bills: the Fire Departments Act, the Hospital Labour Disputes Arbitration Act, the Police Services Act, and the School Boards and Teachers Collective Negotiations Act. This, along with the assault on pension legislation previously mentioned, shows blatant disregard for the rights of organized labour throughout this province. In like manner you did it to the private sector through Bill 7 and now Bill 26 will do it to the public sector unions. I will predict that the next thing on the agenda for labour will be the introduction of workfare and learnfare to continue your undeclared war on labour. We know that workfare puts a downward pressure on the standard of living and creates an atmosphere of dog-eat-dog among people. I lay the responsibility squarely on your shoulders for the labour unrest happening in Ontario.

All Ontarians will soon know that when Mike Harris says, "Ontario is open for business," he really means, "Big business, come and join us in the exploitation of Ontario."

In closing, I recommit myself to continue the battle for social justice and democracy. When we all unite rather than divide we expose the kind of spirit best expressed by C.S. Lewis:

"I live in a managerial age in a world of admin. The greatest evil is not now done in those sordid dens of crime that Dickens loved to paint. It is not done even in concentration camps and labour camps. In those we see its final result. But it is conceived and ordered (moved, seconded, carried and minuted) in clean, carpeted, warmed and well-lighted offices, by quiet men with white collars and cut fingernails and smooth-shaved cheeks who do not need to raise their voice. Hence, naturally enough, my symbol for hell is something like the bureaucracy of a police state or the offices of a thoroughly nasty business concern."

Considering some recent disclosures about the world of politics, can anyone disagree with Lewis's choice of symbols? Thank you for your consideration.

**The Chair:** Thank you for your presentation. We have three minutes per caucus, starting with the government caucus.

1010

**Mr Tascona:** Thank you for your presentation. We heard from other CAW locals throughout these hearings. I'd just like to deal with schedule Q, if I may.

As you know, there are mandatory criteria in other provinces which deals with interest arbitration, and to this date, in terms of bringing fiscal reality to the interest arbitration process, we've heard strong support from municipalities, school boards, police services boards, and in fact they not only fully support it, they're hoping that we strengthen them and to ensure that there are no tax increases that result out of any arbitration award.

We've also heard from such groups as the police association, as recently as Friday, who have very clearly indicated their view on schedule Q, their preference. If they could, they'd like to see it deleted, but they also

suggested, as an alternative, they would like to see other factors, as an amendment, all relevant criteria, including such factors as cost-of-living, private-sector settlement, comparable police settlements, historical relationships, for an example, if this is going to proceed.

I would just like to get your opinion on that, whether you think that's a fair approach in terms of dealing with interest arbitration as set forth by the police.

**Mr Labelle:** Surely, from what I'm hearing, what you're saying is that the employer favours it, and the workers have apprehensions towards it. To me, it should be between those associations and particular unions to come up with a formula that works for them. As a CAW member, of course I'm not involved in the public sector. But surely—

**Mr Tascona:** Just that particular proposal.

**Mr Labelle:** Any amendments, again, if they're gained through bargaining with the unions that you're affecting with the legislation, have to be acceptable if they're accepting it. Surely that's the democratic process.

**Mr Tascona:** I'd just like to comment also. We dealt with the CAW representative and he made the remark saying: "You're saying that there are fiscal problems. We recognize the government has tough choices and priorities to make, but" he says, "when we are faced that with a company, in my bargaining experience," he basically said, "why don't you do such things as productivity bargaining, make decisions on saving cost, try to save the employment that's with the workers in that organization and focus on that with your own unions?" He put that question to me.

I would just like to ask whether you would share that in your experience, when you're dealing with an employer that says, "Well, we can't pay; we've got tough choices," do you want to do such things as productivity bargaining and try to find out the best solution? What do you think about that?

**Mr Labelle:** It's really not related to Bill 26, but you're talking about the philosophy in bargaining, and I can tell you right now that as a member here, I'm a committee member who's trying to organize the workplace so am not really as versed in negotiating with companies. I would have to say again that if a company was in trouble or an employer was in trouble financially, of course the union and the employer should sit down and be reasonable about what they're facing.

But in this case here, I believe that you're taking a slash-and-cut-and-burn approach to everything that's on the table, and that means all of Ontario's services are on the table. How can you say that with little or no study from the private sector of these bills and what it means to them, you can come to a conclusion that sets arbitration or bargaining rights for unions in days to come? We'd have to—

**The Chair:** I'm sorry to interrupt, Mr Tascona, but let's move into opposition time.

**Mr Phillips:** I appreciate the presentation of the CAW. I'd first off make a comment that you've characterized the bill in certain ways. Where we've been around the province, people call it the bully bill, and the amazing thing is, as we travel around, we're finding that, just like



any bully, this bill has no friends. Even the chambers of commerce—we'll hear from the chamber later today—even they express major reservations because, as they look at it, it truly is a bully bill.

I hope I've got time for a couple of questions. One is on the arbitration that they've just raised. What the firefighters have told us and what the teachers have told us and what the police have told us—the police in very strong language on Friday said they've been betrayed by the government. They were promised that they would not be attacked through arbitration and now have been betrayed, and the fire group are saying this is a wage control bill. This is the Harris wage control bill. Actually, the police call it the wage rollback bill.

You've now looked a little bit at the arbitration process, and I realize it's in the public sector, but if a private sector employer ever tried to impose these kinds of conditions on your organization, what would that do for the climate of bargaining? The government is just ready to enter bargaining with the public unions, but February will be a key month. What do you think this does to the climate when they try and push a bill through that does this to arbitration?

**Mr Labelle:** First off, I really do believe that when you're faced with these kinds of measures through any employer, the first thing that comes to mind to those who are being manipulated or dealt with in this way, it brings the connotation that there is no fair play or no good faith. The actions are definitely there to reduce people in the workplace as well as their wages.

As for the police, I've talked to some of them and what they're worried about is that their service—they said that they would never reduce law enforcement. What these actions may do is reduce their backup service. Instead of being out there doing the job they have been hired to do, they'll be stuck behind desks and doing paper and administrative work as opposed to being right out there and doing community work. We hope that we don't see a deterioration in our police services.

Those are the types of things. After talking to other unions, they're losing bumping rights as they know them. They've changed the rights. In other words, a man who has been there for 20 years may have the right to bump somebody who has been there for 10 years, but the person he has bumped loses his bumping rights. It's kind of putting worker against worker and you know when you make a decision like that, you've effectively taken away the livelihood of the person you've affected.

It's not fair. It brings up all kinds of issues on morality and conscience. It would bother me, certainly, if I had to do that to another worker. It's a union-busting tactic. It's subliminal, but unions know about it and they're going to deal with it, I'm sure. As far as I'm concerned, what's going to happen is you're going to see a rise in worker-employer confrontations, and that doesn't help anybody in Ontario.

**Mr Silipo:** Thank you, Mr Labelle, for a fairly thorough presentation. I'm sure the government members must be cringing a little bit to think what other gems you would have discovered had you had a bit more time to look at the bill.

In the short time that we have, I want to focus on a couple of points, the first being the one around arbitration. We've heard, as it has been characterized, that this really has been seen as a wage control bill. I think it's important to underscore that. Although the police and the firefighters are the two main groups that are affected by this—there are others, as you mentioned—directly it seems at first, we heard that in those cases only about 10% to 15% of situations are where we end up in arbitration. The other 85% to 90% are always settled. So one asks legitimately, why the need for this legislation when most situations get resolved at bargaining? Why this kind of sledgehammer approach?

The important thing there is to remember that what the government is interested in doing, it seems to me, is controlling wages through the arbitration process, not just for those employee groups but indeed for the public sector as a whole, because then those become the benchmarks for public sector salaries.

If a municipality goes to arbitration, as you correctly point out, they have no reason to negotiate. They can go to arbitration and have the arbitrator do their work for them. They say: "This is what we can afford or not afford. Arbitrate and make the decision." Then they turn around to their secretarial workers, to their outside workers and say, "The firefighters only got this or got rolled back so much, so the same thing should apply to you," and that becomes the benchmark. In a certain way there's an implication not just for the groups that are directly affected but indeed for other public sector workers, as I think you pointed out in your brief.

**Mr Labelle:** Yes. The biggest thing I see there is exactly right. They are going to prefer the settling of contracts or negotiations through the arbitration process to actually having to negotiate in good faith, because they know that their position would be favoured through that on the ability to pay. What it does, it puts a downward pressure on the wages of our public sector employees.

Therefore, in turn, the private sector may come to us and say, "Now that we've realized that there are fiscal problems and for us to remain competitive"—and you know the whole line—"we may have to follow the public sector employees in wage negotiations also." It's an all-out attempt—to me, it's a corporate agenda and it's very simple: it's to reduce the standard of living so that they can make gains, whether it be in the private or public service.

1020

**The Chair:** I apologize for interrupting. I want to thank you for coming forward today and making your presentation to the committee.

Gentlemen, members of the committee, quite often we have some lengthy submissions and we're left with a particularly short time for questions and I hate to cut people off when they're answering those questions. We might, in those areas where we only have two or three minutes per caucus, keep the preamble a little shorter to be able to hear those questions for witnesses. It makes my job a little friendlier.

**Mr Len Wood (Cochrane North):** Extend the hearings.

**Mr Bisson:** Why don't you extend the hearings?



## IROQUOIS FALLS HERITAGE COALITION

**The Chair:** Can I please have representatives from the Iroquois Falls Heritage Coalition come forward. Good morning and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive response questions from committee members. I'd appreciate it if you'd introduce yourself at the beginning of your presentation for the benefit of both Hansard and committee members.

**Mr Ben Lefebvre:** Good morning. Thank you. My name is Ben Lefebvre and I represent the Iroquois Falls Heritage Coalition. I have specifically asked that my brief not be distributed to the committee members until I have finished my presentation. I'd prefer to get your undivided attention. There are only a few points that I wish to cover, and if you're really interested in my presentation, I'm sure you'll read it afterwards.

Members of the media, fellow northerners and committee members, I have decided to appear before you this morning out of my concern for the previously announced and still impending cuts by the new Conservative government in Ontario. Many of these are a direct result of the changes being proposed through the omnibus Bill 26. I have only three topics I wish to speak on.

As an aside, it's quite interesting to note that the Conservative members of this committee are sitting on the left-hand side of the room. Perhaps there is hope for Ontario after all.

As I said, I am here representing the Iroquois Falls Heritage Coalition. Our group was formed on March 30 of this past year as a result of the threatened loss of rail passenger services at Porquis Junction. The Ontario Northland Transportation Commission had also just announced that the 55-year-old Porquis station was facing demolition.

Although our group was successful at securing an eight-month delay, the September 30 deadline that was granted us by the commission to find a viable alternative for the doomed structure came faster than we could secure the required support. Instead of the anticipated public and municipal backing, our group met with resistance and negativity from both local politicians and Ontario Northland management.

The new government had made good on its promise to cancel the Jobs Ontario program we were counting on to help us renovate the old station. Unfortunately, the new government has also failed to follow through on its promise to, and I quote the Common Sense Revolution on page 22, work "with communities and the private sector to find new ideas for destination attractions and to take full advantage of existing sites and activities."

The same paragraph also states that the "plan will recognize the importance of volunteer and community-based industries such as snowmobiling and crafts as tourism attractions." Much of our planning for the old Porquis station included snowmobiling and local crafts among other tourist-related elements to help create long-term employment.

I have been the chairperson of the steering committee for the Iroquois Falls tourism development strategic plan

for the past two years. I have yet to hear of any new tourism initiatives from the existing government since its election last June. In the meantime, a perfectly good building that could have served our emerging tourism industry is soon going to meet the wrecker's ball. This building could still provide an excellent opportunity to create a workable partnership between the ONTC and our coalition. It strikes me as absurd that such a solidly constructed, publicly funded structure should be demolished before all alternative uses had been explored.

I am here to ask your committee to recommend to the new government that the ONTC not be allowed to follow through with the proposed demolition of the Porquis station at this time. The Iroquois Falls Heritage Coalition will anxiously await your reply to this request. Please note that the tender to demolition may have already been let, so this matter is urgent.

The second topic I wish to discuss is regarding volunteers. I am a very active volunteer in the Iroquois Falls area and, as such, I sit on numerous committees and boards. I understand what it means to give of my time and I feel that volunteers contribute a great deal to the economic wellbeing of the community, this province and the country as a whole.

When the new government suggested that volunteer organizations could pick up the delivery of some of the traditional services it had provided in the past, I must admit that I became rather sceptical of the plan. For one thing, volunteer organizations are stretched to the limit as it is. There are already too few people trying to cover too many areas of legitimate need. The government's assumption that there will be a miraculous increase in the number of volunteers due to increased need or through forced volunteerism from welfare recipients is not only presumptuous, it is an insult to the intelligence of those who give freely of their time now.

Most people realize that you cannot force someone to be a good volunteer. Volunteers are a very precious commodity, the most effective of whom give their time and effort freely to causes of their choice. Expecting nothing in return, these selfless individuals often help fill the gaps left by various government programs. As these gaps get wider due to changes affected by issues such as unemployment levels, government fiscal restraint and general social degradation, the mounting pressure on our volunteers threatens to crush their will to continue. Volunteer burnout has become a real issue, the need is so great.

More government support is needed for volunteer organizations, not less.

One program that comes to mind is the one that was delivered by the Ministry of Transportation to support specialized transit services to the physically disabled. The program paid up to 50% of the capital costs to purchase the required vehicle and then between 50% and 75% of the operating costs to maintain and administer the system, depending on usage. The other 50% would be provided by the affected municipality through the existing tax base or, more often than not, with funds raised by a volunteer community organization and through user fees.

Iroquois Falls is one of only two municipalities in the Cochrane district that has not yet taken advantage of this



program. In the spring of 1995, after five years of organizational meetings, the Iroquois Falls Access Transit Committee finally received the reluctant blessing of council to apply for the program, along with a \$6,000 annual commitment. Since July, the committee has been able to raise \$10,000 and has promised to continue their efforts for a minimum of three years. The estimated cost to maintain the proposed program in Iroquois Falls is only \$30,000 annually, with a one-time capital investment of \$50,000 to purchase the vehicle. The Minister of Transportation recently announced that the funding for this program would be frozen and that no new projects would be approved, including the one in Iroquois Falls.

I'd like to know what kind of message the new government expects that the disabled and elderly in this province are to take from such an announcement. Worse still, what message does this send to the volunteers who really believed in what they were trying to achieve? I hope this committee will recommend to the minister's office that this project be given special consideration in the light of the amount of work and commitment that has already gone into this project being championed by the Iroquois Falls Access Transit Committee.

The last item I would like to speak about is economic development. I have been a member of the Iroquois Falls Economic Development Committee for the past four years. I have served as its vice-chairperson for the past three.

The Ministry of Northern Development and Mines has been an extremely effective community partner in economic development for the past eight years through MEDA, an acronym for the municipal economic development agency. The first five years of funding provided small northern communities with the resources required to initiate and facilitate development activities that would help diversify their local economies.

The second five-year block of funding was set up with the understanding that government subsidies would decrease year after year until when, in the 11th year, municipalities would have realized the benefits of economic development and would adopt it as a new department.

1030

In small, resource-based northern communities such as Iroquois Falls, it is often difficult to sell the concept of a long-term planning process. Political leaders need to see immediate return on their investments. Administrators' time is used up in the performance of normal day-to-day activities. Traditional department heads are busy doing more with less financial and human resources. The addition of an economic development department to the existing municipal structure is not even considered as a remote possibility.

Lack of understanding has resulted in the closing of several northern economic development offices already. Instead of recognizing economic development as an investment, it is often seen as a liability and an unnecessary luxury.

I propose that community economic development should be mandated for all northern municipalities having a population level over 5,000. Financial resources must be provided by the government to support such initiatives

on a partnership basis. More effort must be made to emphasize the need for and benefits of such programs.

I recognize that the Conservative government has promised less interference in municipal affairs. In this case, however, government must show the required leadership. For a very minimal amount, the existing MEDA program could be maintained at present funding levels. Serious consideration should even be given to increasing that amount.

A good community economic development program can work. Although its main employer, Abitibi-Price, has continuously reduced its manpower requirements over the past couple of decades, Iroquois Falls has actually managed to experience growth in other sectors. This is totally contrary to the trend in northern Ontario, as you know, especially with the fact that we have one of the highest unemployment levels in the country.

Through the direct efforts of our economic development office, we have managed to help secure employment opportunities in new industries such as Malette Granite, Lakeland Peat and two gas-fired cogeneration stations. New commercial and retail ventures are springing up throughout the community. A fledgling tourism industry is being nurtured to help offset future Abitibi layoffs and to further diversify the town's tax base. Other opportunities in value-added products for our resource-based industries are presently being explored and we are very optimistic with the preliminary findings.

A few words, if I may, on strategic planning and the process that we went through. By the fall of 1992, Iroquois Falls saw the need for a new strategic plan which would help reduce its dependency on its single industry, pulp and paper, while empowering its residents to determine their own destiny. The town's volunteer economic development committee had previously commissioned a consulting team to create a strategic plan for the town back in 1988. This plan lies gathering dust in the basement of town hall because local buy-in had not been assured through its implementation strategies.

With funding from the Ministry of Northern Development and Mines, the Iroquois Falls EDC accepted proposals from various consultants to help create a plan that would recognize the need to harness local human resources and energies in determining common interests, priorities and coordinated actions. The consultants would serve as independent and neutral facilitators to gather relevant information, do the required research, offer technical advice and produce a final report.

A series of community workshops were set up that were both inspirational and enthusiastically attended. As the process gained momentum, local political support waned due to the perceived fear that the EDC might undermine council's authority. While council still controlled the EDC, it did not buy into the process or fully recognize the value of what was being accomplished. Out of it all emerged subcommittees with representation from various stakeholders and the general community. Four sectors with the best potential for economic growth were identified as: (1) tourism and recreation, (2) industry and commerce, (3) health and social services, and (4) education and training. The subcommittees helped the consultants prepare a report entitled Sectoral Strategic Objec-



tives and Options, which was used by the EDC in preparing a sectoral-based community economic development plan.

A few words on why we found that this was a very important exercise. There was the fact that it provided an opportunity for the community to better understand the changing nature of the economy while focusing on actions that are proactive and community-based in determining its own future. The process was instrumental in clarifying the interconnectedness of the four identified sectors. Partnerships and consensus decisions were seen as an important means to attain the community's goals and objectives. The process was a catalyst for ideas and opinions, but underscored the need for building and maintaining good lines of communication.

There were conflicts of personality and political interference, as well as scheduling, budgeting and committee structure concerns. Well-entrenched interest groups needed to learn to loosen up on their demands and preconceived positions.

Small communities often lack the depth of expertise required to complete such an exercise. Time must be allowed to educate participants, to allow the community to build its capacity to comprehend the subtleties of such a process. The importance of ownership and necessity of commitment is a critical initial step. Economic development initiatives normally take time to bear fruit.

The economic development committee in Iroquois Falls is very proud of their efforts at creating their strategic plan in a very new and innovative manner. In fact, the plan was so well thought of that it was featured in Plan Canada, a well-respected periodical for municipal planners and economic development practitioners. There now appears to be more confidence in the future of Iroquois Falls than at any time in recent memory. The momentum that has been created must be maintained.

At year's end, town council announced that the economic development office would be closed at the end of January. As a direct result of the reduction in transfer payments from the province, council is reacting without considering the impact of their decisions. Because town council could not understand these economic development issues, the EDC has become one of the first casualties of the Common Sense Revolution in Iroquois Falls.

There is one last message I would like to leave with your committee: Please ask the new government to fully consider the impact of their cost-cutting decisions as they make them. As you no doubt are becoming aware of in your travels and in listening to those who bother making presentations to this and the other travelling committees, there are far-ranging considerations that need to be addressed. Deficit reduction is a priority, and most taxpayers agree. Wholesale changes in our society, however, are not necessary to accomplish this. The Mike Harris Conservative government was elected because they promised a "common sense" approach. That mandate did not include the complete destruction of the social system that has taken more than 50 years to create and has made Ontario the province of choice for most Canadians.

I care deeply about Ontario and the way of life we have all become accustomed to. We know that change is needed and that we have to learn to live within our means.

I also care about the process this committee and this government have entered into through these public hearings. I have taken the day off to be here and would like to know that my time was well spent. I hate to think that my comments will simply fall on deaf ears.

I trust that you will get back to me and I offer the government my experience and energy at making this province the economic engine of this country once gain. Let's prove to the world that this economy can be turned around without sacrificing the wellbeing of the less fortunate in our society.

**The Chair:** Thank you, Mr Lefebvre. We have three minutes per caucus for questions. We'll begin with the opposition caucus.

1040

**Mr John Gerretsen (Kingston and The Islands):** Thank you very much, sir, for your excellent presentation. I come from Kingston. We all realize that tourism and heritage should not be regarded as something just of a cultural nature, but it's an economic development. Until a community and the province realize that, I'm afraid we won't get too far. In my own community, we started realizing that a few years ago and it's now a \$100-million-a-year industry.

Your comments with respect to volunteers, I totally agree with. Sometimes with this government we get the impression that it's something they have just created, or they found something new. I know, having been involved in my own community for many years, that one of the things that makes Ontario strong is the number of volunteers who work in our communities, and these people are really at the burnout stage.

Of course, you realize that what drives this whole thing is not so much deficit reduction. That's part of it, and I agree with that part of it. But it's really the 30% tax cut, which really means instead of having to find a total of about a \$10-billion difference between revenues and expenditures, we'll be looking at about a \$15-billion difference there. That's what's driving this whole thing.

I think one of the best areas that can be shown in this whole notion of giving grants to businesses—it's popular to say, "Let's not give any money to businesses," but on the other hand, there are times and occasions when a little bit of a seed fund, and you've mentioned a number of different things where it could be applied, could really get something locally off the ground to function well and make it grow. What are your comments on that?

**Mr Lefebvre:** Number one, I totally agree with you. Tourism is an unrecognized and untapped resource, particularly here in northeastern Ontario. We're just beginning to realize it, particularly with the advent of snowmobiling and its popularity of late. It has created one heck of a lot of money in investment not only by the local entrepreneurs but by people who enjoy the sport. As you know, a lot of these machines run \$8,000 or \$10,000, and when they travel, people travel very light. There was a poker run, one of these almost weekly affairs, here in northern Ontario held in Iroquois Falls on Saturday. There were over 600 machines that were in that poker run. That brings a ton of money into a small community like Iroquois Falls.



Unfortunately, even the municipal leaders don't understand what net benefit that creates for the economy. That's why it's incumbent on a community-driven committee such as the economic development committee, for example, to be able to explain to them and to be able to facilitate just what this type of development would mean for a local economy.

Just a note. You mentioned the \$100-million industry that has worked for Kingston in tourism. An interesting aside is that tourism is the world's number one industry. Very few people are aware of those facts. There's no reason we can't take advantage of that.

**Mr Gerretsen:** And every part of Ontario can play its part.

**The Chair:** Thank you. I apologize for coming into your time.

**Mr Silipo:** Thank you very much, Mr Lefebvre. Just very briefly, as the critic for Economic Development, Trade and Tourism for our party, I appreciate particularly your presentation and your emphasis on the need for partnerships and consensus-building as the way to have that happen at a community level.

One of the unfortunate things that we've seen from this government is, in our view, its abandonment of that approach and its abandonment of the role that the provincial government needs to play in creating that atmosphere. As you say, what results when that happens is not only a situation where towns then decide to close down the local economic development office, but also jobs directly and indirectly leaving the province. We've seen instance after instance where companies have decided to relocate outside of Ontario instead of locating here exactly because other governments continue to see that they have a role to play and this government believes that it need just wash its hands of any responsibility.

I know my colleague Mr Wood wants to pursue some points with you, but I just wanted to make that point.

**Mr Len Wood:** Thank you very much for the presentation. I know there are relatives who live in my riding as well as in Gilles Bisson's riding, so it's nice to see you here.

I'm saddened when you point out that the economic development office is going to be shut down, because it seems to be a trend since June 8, 1995, when the Mike Harris government was elected, that they're attempting to shut down everything in northern Ontario. I'm talking about the Ontario Northland airline; they're shutting it down. The Ontario Northland train is threatened. Economic development is threatened. Now a lot of presentations that we've had made are that it's going to throw thousands of people out of work in the public sector throughout northern Ontario.

My question really would be brief. Do you see anything in Bill 26 that would either keep the northern Ontario status quo or create some jobs in the long run, or are we just faced with thousands of people being thrown out of work with no caring for the elderly, the disabled, the seniors, the working men and women?

**Mr Lefebvre:** As was mentioned in some previous presentations, and I know you're probably hearing it right across the province, Bill 26 so large that it's been very difficult to dissect and be able to study to any great

measure over the short period of time we've had to actually look at it.

But I did notice that in the Common Sense Revolution it spoke very strongly about northern issues; in fact, it was another paper that accompanied the Common Sense Revolution that was titled Northern Focus, if I'm not mistaken. It spoke very strongly about the support, particularly in transportation, for northern communities through the Ontario Northland Transportation Commission in particular, and it strikes me as very odd how a \$10-million cut in subsidies to the ONTC could be construed as help. I'm hoping there will be a revisitation of that. Cutting off air service, as you mentioned, through NorOntair no longer—I believe it's 17 communities that are going to be directly affected—

**Mr Len Wood:** One hundred and fifty employees.

**Mr Lefebvre:** About 150 employees in a time when, as I mentioned before, northern Ontario being one of the highest unemployment levels in the country, it just strikes me as very odd. I'm hoping there will be some revisitation of many of the directions that the government has taken so far.

**Mr Klees:** Mr Lefebvre, thank you for your presentation. Before I get to my question to you, I'd like to just clarify some misinformation that was tabled here by Mr Wood. I think it's important that we deal with the facts in these hearings.

First of all, with regard to NorOntair, that has not been cut off and in fact there were some reports in the media that were not correct. Discussions—

**Mr Len Wood:** Better check with Chris Hodgson or Mike Harris. They said it was going to be shut down at the end of January.

**The Chair:** Order. You've had your opportunity.

**Mr Len Wood:** He's calling me a liar.

**The Chair:** You've had your opportunity, Mr Wood. He hasn't said that.

**Mr Len Wood:** He called me a liar and I'm challenging him—

**The Chair:** He hasn't called you a liar at all, Mr Wood. Order, please, Mr Wood.

**Mr Len Wood:** He has no right to call me a liar.

**The Chair:** He hasn't, Mr Wood. Order.

**Mr Len Wood:** He has, and—

**The Chair:** Mr Klees.

**Mr Klees:** Thank you, Mr Chairman. Mr Wood, I won't apologize because the fact of the matter is that your comments were—in fact, I'll speak to Mr Lefebvre. The comments were that air service would be cut off for these northern communities and it will not. Discussions are ongoing right now with a number of parties within NorOntair as to how service can be continued and we're confident that service will be continued. It will not be on the same structure that it is today, but we have—

**Mr Silipo:** Service, but no planes.

**Mr Bisson:** Oh, no planes.

**The Chair:** Order, gentlemen.

**Mr Klees:** I'm surprised that the members from northern Ontario are carrying on as they are, because this is a very serious message. The fact is that the government—

*Interjections.*

**The Chair:** Order, Mr Bisson, Mr Wood, please.



**Mr Terence H. Young (Halton Centre):** Mr Chair, on a point of order: We have a limitation on the amount of time we have to use. I wonder if we could have Mr Klees's time now.

**The Chair:** Mr Klees, continue, please. I've got you on the clock still.

**Mr Klees:** Thank you. The fact is that the province of Ontario is very committed to northern Ontario and will be doing what it can possibly do to ensure that services are continued in northern Ontario. That's why I make the point that with regard to northern service, we believe we can work something out through the discussions that are going on right now to ensure that this service will be continued. We happen to believe that this service can be most effectively delivered through the private sector and that's why discussions are going on around that now. Service will not be discontinued, contrary to what Mr Wood has indicated.

I also want, for the record, to make it very clear that this government remains committed and has indicated in the throne speech that the Ministry of Northern Development and Mines will become the senior ministry for northern Ontario. We are committed to ensuring that there is a diversification and that there is continued support for northern Ontario.

**The Chair:** I'm sorry. At this point—it's a lengthy preamble—I'm going to have to interrupt; you've come to the end of your time.

**Mr Lefebvre:** You mean I can't reply to the non-question?

**The Chair:** I'd like to thank you for coming forward and making your presentation to the committee today.

1050

## ONTARIO PROSPECTORS ASSOCIATION

**The Chair:** Could I please have the representative from the Ontario Prospectors Association come forward. Good morning and welcome to the committee.

Committee members, I'd appreciate it, in deference to the presenters who have taken time to come forward and make these presentations, if you'd keep the arguments across the floor to a minimum so that we might be able to hear all deputants.

**Mr Bruce Jeffery:** Good morning. I'm the chairman of the Ontario Prospectors Association and have been so for the past year. I wanted to take this opportunity, to add to things you've already heard.

The Ontario Prospectors Association is a lobby group and it's our objective to represent and further the interests of the exploration industry and the individual prospector. We're an umbrella group. We represent a wide variety of membership, including prospectors, geologists, mining company executives, service companies and mining companies, both junior and senior, from individual associations that exist in Timmins, Kirkland Lake, Sault Ste Marie, Sudbury and Thunder Bay. As such, we are a collection of the executives of those associations, but we don't have a lot of working committees. We count on the groups themselves to do much of the work.

Over the last 10 years, you may or may not know, the Ontario mining industry has lost over 10,000 direct jobs

and these jobs have been lost mainly due to depletion of ore reserves and the closing of mines. Ontario's reserves of gold, copper, zinc and nickel are continuing to decline and a dramatic increase in exploration spending is required to reverse this declining reserve trend.

Mineral exploration is really the R&D of the mining industry and, without a strong exploration industry, reserves will not be discovered to replace the ones presently mined. Exploration is a very risky business. Statistics now show it can cost up to \$150 million just to find one mine and it can take as much as 10 years to actually get into production.

Our job is to attract this risk capital into Ontario. To do so, investors have got to have security of title, access to land and an understandable, efficient and reasonable regulatory environment. This is where the Mining Act comes in. It plays a critical role in providing these requirements.

Also with respect to liability, the committee must realize that one of the best places to explore for a new mine is adjacent to an old abandoned mine. It just works that way. If the systems were working to produce one, there's a good chance there's another. If the rules for acquiring old mining liabilities are not reasonable, the exploration community will stay away from these areas and the people of Ontario will be the long-term losers.

In general, the OPA is very supportive of the Harris government's intentions to take quick action to reduce administrative costs, reduce red tape, allow expanded self-regulation of the industry and provide renewed confidence to risk capital investors. We would, however, caution the committee that schedule O contains many significant changes to the Mining Act, some of which we don't believe will serve the mining industry well or achieve government objectives.

As I started to mention before, our group is an umbrella group. On exploration issues relating to the Ontario Mining Act, we generally rely on the expertise and experience of the minister's Mining Act advisory committee, on which the OPA is represented. Both the MMAAC and the Prospectors and Developers Associations of Canada submitted briefs and made presentations to this committee on December 21—detailed submissions I gather. For issues relating to part VII of the act, which is the rehabilitation of mining lands, we generally rely on the expertise of the OMA which represents the producing mines in the province.

The OMA also appeared before this committee on December 19. Generally, the OPA endorses the suggested changes made by these groups and would refer the committee to those briefs for the real details and recommendations, because they were sort of blow by blow right through schedule O. Our purpose here today is to reinforce several specific changes being recommended by the mining industry and to remind the committee of the importance of mining to the province of Ontario.

On October 20 the MMAAC committee was presented with a list of the original items to be included in this omnibus bill, Bill 26. These items had been discussed and modified through consultation with MNDM. However, when schedule O was finally released, there were many more items in this than the original October document,



which we had felt included many housecleaning items. In fact, many of those housecleaning items had been on the books for a year and there was a previous omnibus bill that didn't go through, but that was going to be done at that time. We were under the understanding that was primarily what was going through. The schedule established for the passing of Bill 26 has left very little time for continued consultation with MNDM, and our own groups, for that matter, to ensure that the changes put forward in schedule O don't have the unwanted result of reducing exploration spending in the province.

Our group, the OPA, supports the following principles: the freedom to explore and the right to mine; the principle that you cannot stake a pre-existing liability that was not yours; the principle of self-assurance and self-regulation; the principle of polluter pays, not just the user or holder pays, but the polluter pays; protection of the environment; and as much as possible, a principle of a level playing field for both our junior prospector and our senior mining company.

Just a few specific issues to schedule O that I would like to emphasize, some things we hadn't realized were there: Many of these, I believe, may be being taken care of with continued consultation, and I hope they are. I haven't been involved in some of the most recent consultation, but I didn't want to let the opportunity here in Timmins go by without coming in. What I've listed are a few things.

The word "mine": The government has introduced a new phrase, "preliminary exploration," in the definition of the word "mine," and we must have that defined. It's an undefined word in the act right now. We want to know what that is from a prospector's point of view.

"Mine hazard": There's a phrase in there called "any disturbance of the ground," and we're very concerned what that could be, how far that could be carried.

Under "owner": Changes to this definition indicate that a secured lender could be considered an owner. This would have a very negative impact on raising risk capital in Ontario if potential financiers could end up being held responsible for mine hazards. In addition, the removal of the words "owner of surface rights only" means a potential does exist for innocent surface rights holders to get stuck with liabilities of pre-existing mine hazards.

I don't know this personally, but I'm under the understanding that the MOE has reached an agreement with financiers in making sure that financiers don't take liability, but the Mining Act still indicates they could be. What we need to do is get the Mining Act in tune with the MOE agreement.

The right to inspect documents: By adding the words "and recorded," it's implying that filed only documents would not be available for inspection. Our group wants to ensure that all documents that are filed in the recorder's office are open for inspection.

The only part VII issue I would touch on, because we represent the exploration prospectors and not the miners but this one affects prospectors, is voluntary surrender and abandonment. This section is required to change and fix an unfair situation that's arisen in the transition between the old Mining Act and the new Mining Act that came into effect in June 1991.

Under the old act, holders of unpatented claims had to take their claims to lease after holding them for no more than 10 years. At that point you had to bring them to lease or forfeit your ground. So a lot of people brought claims to lease. But under the new act, a leaseholder is considered to be liable for all past mine hazards and all hazards on the property whether or not they created them. The proposed wording that the MNDM has put forward is not satisfactory as it includes the words "for at least 10 years, the holder of an unpatented claim."

What happens in this case is that if a prospector has optioned out his ground or anything during those years, he's not considered the holder. He could be a beneficial holder, but he's not the holder of the ground. This problem has been done to fix some of the prospectors who have got themselves in this position, and we recommend that it just say "if an owner of an unpatented claim," because this matches the intent of our discussions with the MNDM. We've been working for some time to try to correct this problem. This would really allow all leaseholders under the old act who have not created any hazards to have the opportunity to surrender their leases back to the crown or convert their leases back to unpatented mining claims, which means they have to start doing assessment work and everything again.

#### 1100

In summary, we appreciate the opportunity to have this brief address with the committee and put forth our views on schedule O. I want to emphasize that exploration is the lifeblood of Ontario's mining industry. It's imperative that exploration spending levels double in size in this province from the current \$100 million or we're not going to find the mines we need. This is a tall order, because even though things are starting to turn around, we still don't have the levels achieved yet that we need.

So it's very important that the Mining Act changes be amended in a way to attract risk capital and not act as another level of uncertainty to potential investors. So I would ask the committee again to please look seriously at the recommended changes and amendments provided by MMAAC, the PDAC and the OMA in their detailed presentations in Toronto before Christmas. That's really all I have to say at this time.

**Mr Len Wood:** First of all, thank you for coming forward with your presentation. There are a lot of points in here. As the critic for the NDP for Northern Development and Mines, I attended a function the first week of December in Toronto; the junior prospectors were there to promote the industry. They were very much concerned that a lot of funding was being reduced for them to do their duty out there and find new mines and about how this bill was going to affect them. The impression I got was that a lot of them would not be able to carry on the work that they were doing because of not having the funding that was there. I understand that any mines that are developed, they start off with the junior prospectors and they don't necessarily start with the large mining companies.

I just wanted to get a comment on how you think the junior prospectors are feeling, now that they've had a chance to analyse the bill. When it first came forward, they seemed to be very unhappy. There were 100 or more



people at that particular function that I attended, and they were very much concerned about their future. I know Mr Bisson has a question afterwards that he wants to ask.

**Mr Jeffery:** First of all, with respect to schedule O, many of the prospectors haven't had an opportunity to look at it at all. All of us have qualified these presentations, including the ones given in Toronto, by saying that there has not been time to go through whole groups. Many of these are being done with just executive groups getting together, people who can get together in a hurry and look at it.

Some of the things you may have been implying were some of the budget cuts to the MNDM, I believe, with the OMIP and OPAP grants being cut and that sort of thing. The OMIP grants were primarily to more senior companies, but the OPAP grants were \$10,000 grants to prospectors.

There's a general feeling in the industry, certainly, that prospectors make a lot of the discoveries; that's been shown recently and in the past. Prospectors are very important because they actually get out and really do the high-risk, initial work. Many of us who work for senior companies really count on the prospecting community to bring us in properties and ideas. Quite often, prospectors are not hampered by deposit models and things. You know, a lot of companies have specific ideas of how to look for things, what commodities they're looking for and everything else. A prospector doesn't have that behind him. He goes out and looks anywhere. If he sees some ground that looks good, he goes in and looks at it. A lot of times he does a really good job.

**Mr Bisson:** I just want to say, in our working together, Bruce, we've worked a long time, myself and Shelley, with your organization and individuals. I agree with your assertion that we learned one thing in bringing the Mining Act forward in 1991, first of all done by the Liberal Party, enacted, and then we as a government and you as an industry had to work with it. We found if you rush that kind of stuff through, you can get into a lot of trouble. I agree with you that one thing I wish the members of the committee would hear, this is a good example of how you can hold back a particular piece of legislation that has nothing to do with your budget and we can do a good job to do what actually is intended. I think you should take the comments directly to task.

The question that I would have for you is that the act has a couple of other things that I think are dangerous for the mining industry, especially the operators. For example, under section M, there's a section that says: "Despite any act, a municipality and a local board may pass bylaws imposing fees or charges on any class of persons....A bylaw under this section may provide for fees and charges that are in the nature of a direct tax for the purpose of raising revenue," which means to say, if the municipality of the city of Timmins is losing a lot of transfer dollars, and they find themselves with their backs against the walls, they can go to the deep pockets of Dome and Kidd Creek and Pamour Mines in order to offset their revenue problem. I just wonder, would you support that kind of move in this bill?

**Mr Jeffery:** I wasn't really here to comment on that, Gilles. I would hope that any municipal council that's dealing with a mining community such as Timmins

would very carefully review anything they would do to tax any mine. I think the real point here is that the community of Timmins has survived recessions and a lot of hard times because of the good work that's been done by Kidd Creek and Dome.

**Mr Bisson:** Do you support that clause in the bill? It also gives licensing power, for example, where the municipality can regulate, through regulations, licences in regard to how trades operate, and that could probably be expanded into a lot of operations within the mining industry. Do you think that's a good thing to put in this bill that the mining industry and PDAC would support?

**Mr Jeffery:** I can't comment with respect to the PDAC. Really, with respect to our group, I would need to go back and discuss that further. None of the group has discussed any of these issues beyond the real significant schedule O section.

**Mr Sampson:** Thank you very much for your presentation. I very much appreciate your comment with respect to financier liability. It's a topic that I guess I'm moderately aware of from my background. I would put to you, though, that regardless of what's in any piece of legislation with respect to financier liability, you're probably going to find the financiers somewhat concerned with respect to any liability, since in all the equations they're the ones who typically have the deeper pockets and those are the ones who typically get access via court claims or whatever claims, almost regardless of what's written in the legislation. There are examples of how that has happened south of the border; there are examples of how that has happened north of the border, in this country and in this province as well.

I think the fundamental question, though, is, how do we attract the risk capital at the various levels that is necessary to encourage the initial prospecting, to encourage the development, to encourage the production of the mine, to encourage the shutdown of the mine, as it eventually will be shut down, and, as we've heard from other presenters, all within an environment where we have to respect the environmental impact of any development? How do we do that, in your mind?

**Mr Jeffery:** It's really a big question. Exploration dollars into the province are made up of junior company dollars, companies that need to raise money quite often, usually on the stock exchange. We have senior companies that are investing profits, which they're making now, so we hope that will also increase exploration dollars in the province. Individual prospectors are basically needing to sell the properties that they stake and work to try to raise funds, and they generally sell them to both seniors and juniors.

I think it's a question that, over time, regulations, taxes, particularly land issues have been a problem with some of the the native problems; uncertainty whether, if you get a property, you will get a work permit, whether you will be able to follow through to production. No one wants to start an exploration project without knowing that the right will be there to actually mine something that they find.

I think all ministries have to really work together in that respect, the MNR, the MNDM. We were quite hopeful that that would be one of the positive things of having a single minister handling both the MNR and



MNDM in this case as well, that it would bring some more understanding between the two ministries and fix up land use problems. Multiple land use, which we have always tried to support, really hasn't been there and in fact isn't even a topic people want to discuss, in most cases. We feel that as soon as you have single-land-use users, you just create problems.

1110

What I try to explain is, mines can be anywhere in the province. We don't know where they are. They're not trees; we can't count them, we can't see them. I think if the government can open up land access and have reasonable taxation, and the environmental rules—none of the mining industry wants to repeat any of past history. That's history; we're trying to do what we can to correct that. I think Canadians have high environmental standards now, and we're taking those standards out of the country, as well as inside the county.

I think the main thing now is we really need to show that the province wants mining. Quite often we don't even feel that the province really wants the industry, but if we really know that the industry's important to Ontario and that we have the access to explore on all land possible and that liabilities around old mines—like I mentioned to you, you can't expect someone to come in and stake a property around an old mine and be responsible for old mine liabilities. Those mines were mined under the laws of the day, the benefits went to the people of Ontario of the day and I'm afraid the people of Ontario are going to have to accept some of those liabilities from past use.

But it's a big question to attract investment and it encompasses all parts of the industry. What it really functions on is, does Ontario want a strong mining industry, and then work together to fix all the pieces that attract capital in because—

**The Chair:** Thank you. Mr Sampson, we've unfortunately come to the end of the time for the government members. It's time for opposition members. Mr Brown.

**Mr Michael A. Brown (Algoma-Manitoulin):** I come to this committee as a northerner from the mining community of Elliot Lake, representing the Algoma-Manitoulin constituency, and also with the experience of at one time being the parliamentary assistant to the Minister of Mines. It seems like ancient history now, but back in 1989 when the Mining Act was changed, I remember being here in Timmins and talking to the prospectors about what was, at the time, the culmination of a very long period of discussion with all parts of the industry about this very important industry. I think northerners know, more than anybody else, that around 25,000 people work in the industry here in the province. It creates huge amounts of wealth and it all starts with the prospectors.

I, as a northerner, am pretty insulted that we're seeing the Mining Act stuck in here, in 211 pages, with health concerns and municipal concerns and just about every concern you can find, without the opportunity to carefully look at what the government intends in these amendments.

I have been to the minister's office and had briefings about what they intend. Frankly, I was there probably about the same time your organization was having some

input, and this looks different from what they suggested to us would be in any changes to the Mining Act. Would you say there's widespread concern in your organization, more at the information level of your membership and the amount of input you may have over the next few days? This is going to be the law January 29. These guys are passing it. This is under closure. There's no question of what's happening here. Are you comfortable? Is your organization comfortable with the level of input that northerners and people in the prospecting industry in general are having?

**Mr Jeffery:** I don't think we are comfortable with it. Because it came out much different than what we had originally negotiated and consulted with, it became basically a surprise to us. It caused a lot of groups, especially, like I said, just the executive portions of those groups, to react very quickly to try to present to the committee.

We feel that if it went through with none of the changes and amendments that have been put forward by the MMAAC committee, the PDAC and the OMA, it would not be good for the industry. But if we can get some of the wording changes, definition changes, some of the clarifications required, which we're very hopeful can be done, even in this short time period—because I think the MNDM also recognizes some of the concerns of the industry that have been going on for some time. I think if these things were corrected, and it would be nice to see a new version of the wording, we'd probably find that we could live with these changes. I mean, some of these changes we want. It's unfortunate that the ones we thought were going through were enhanced by so many others and that there are some changes to them that we really can't go along with without amendments and changes to them.

**Mr Michael Brown:** The other part of this, of course, is that one of the most important parts of the legislation, and I think the history of the changes to the Mining Act show that, is that it took almost two years for it to be proclaimed after it was passed. That was not because anybody wanted to delay it; it was because the regulations are probably the most important part of your membership's relationship to prospecting. They define more the nitty-gritty of what you can and cannot do and how you do it.

Has your organization seen any draft regulations that would be implementing this bill?

**Mr Jeffery:** No. We certainly haven't in the OPA, and I have not been down to Toronto within the last couple of weeks or anything to take part in any discussions, if there have been some going on. I know there have been attempts to get together and have some consultations with the MNDM, but I have not been part of them. I'm really not in a position to comment on that right now.

**The Chair:** Thank you, Mr Jeffery, for coming forward and making your presentation to the committee.

CANADIAN UNION OF PUBLIC EMPLOYEES,  
LOCAL 369

**The Chair:** May I please have a representative from CUPE Local 369 come forward. Good morning, gentlemen, and welcome to the committee.



**Mr Iain MacKenzie:** Good morning. My name is Iain MacKenzie. My colleague is Jim Croteau. We're members of the Canadian Union of Public Employees. Earlier today you heard a few CUPE members speak on some aspects of this bill. I will now speak on some aspects of this bill which are of concern to us as well.

Bill 26 would give the minister and municipalities the power to change or dissolve local boards such as public utility boards, library boards or transportation commissions. Forced amalgamation of boards could be dictated by the minister on the recommendation of a local body or restructuring commission.

Most importantly for CUPE members, the legislation also gives the minister power to alter the structure and delivery of services overseen by a local board, including the contracting out and privatization of services.

If a local board attempts to resist contracting out, privatization or elimination of a service that the minister has deemed appropriate or necessary, the will of the minister could be imposed or the board would face an externally designed restructuring or complete dissolution.

Any regulations established under this bill would take precedence over all other legislation. Collective agreement provisions such as successor rights clauses will be subordinated to Bill 26 and its regulations. The alteration or elimination of services or local boards which oversee them, which have been mandated or permitted by other legislation, is another especially repugnant aspect of this legislation.

As a result, soon we will certainly pay for numerous services which are currently supported by local and provincial taxes. North York mayor Mel Lastman's list includes charges for using the public library, charges for city reports and charges for some firefighting services. Other municipalities are sure to look at charges for use of city parks, for snow removal, for garbage pickup and increased water and sewer charges.

Currently, the Public Libraries Act prohibits charges for borrowing books from public libraries. However, Bill 26 may override this prohibition. It gives municipalities the power to impose user fees despite any act—schedule M, section 220.1. It remains to be seen how sweeping this legislative override is.

In order to ensure the predominance of this bill, it also contains provisions which restrict access to information on municipal spending. The head of a local institution could refuse a request for information on the grounds that he or she considers it "frivolous or vexatious." The cost of information requests and the cost of appealing the denial of a request will also be increased.

1120

For example, new application and appeal charges will be introduced, and applicants will have to pay for every minute spent compiling the requested information, even when that information is personal information about the applicant. This is clearly an effort to discourage applicants as much as being a revenue grab. This feature of the bill as much as any other reflects the undemocratic nature of this legislation.

Certain sections of this bill appear to give municipalities the power to restructure school boards. Section 210.4 of the bill will give municipalities the power to pass a

bylaw to dissolve or make changes to a local board, using the definition of a local board provided in the Municipal Affairs Act, which includes school boards. Such a power would not only be contrary to the Education Act, it would also conflict with the direction the government is currently pursuing regarding amalgamation of school boards. There needs to be clarification of this matter in order to avoid massive confusion for municipalities, school boards, employees and their unions.

We are strongly opposed to Bill 26's proposed amendments to the interest arbitration process. Schedule Q amends legislation with respect to collective agreement disputes resolution for employees in the hospital, police, public service and school board sectors. The proposed legislation forces arbitrators to consider specific criteria when making their decision. It will result in collective agreements skewed to the interests of employers, not employees.

CUPE has consistently taken the position that the most appropriate way to settle collective agreements is by allowing the parties to test their strength with the option of resorting to strike and lockout mechanisms. Even in its current form, interest arbitration is a poor substitute to free collective bargaining. The delays under interest arbitration and the conservative nature of the process with respect to new or innovative collective agreement provisions have disadvantaged our members, who are denied the right to strike.

Our first position is that legislation which forces compulsory arbitration on certain groups of employees should be repealed and these employees should be granted the right to strike. If the Ontario government were to grant our position, the issue of what criteria should be considered by arbitration boards would be moot.

Interest arbitration is a process which has been established to resolve collective agreement disputes without recourse to strike and lockout mechanisms. The legislation being amended under schedule Q primarily governs services which are deemed essential to the public. The employees covered under this legislation, with some exceptions, do not have the right to strike but are subject to compulsory arbitration.

The board of arbitration, containing one union representative, one employer representative and a neutral chairperson, is charged with the responsibility of settling all of the issues which require settlement in order to achieve a collective agreement. Essentially, interest arbitration replaces a bipartite process—ie, labour-management—with a tripartite process—labour, management and a neutral arbitrator.

There is a common acceptance among arbitrators and labour relations experts that arbitration boards must be independent of pressures or guidelines which could skew their reasoning in favour of one party or the other. The award should result in something both parties to the collective agreement feel represents a balancing of their interests. The process must be open to both sides—the employer and the union—to persuade the arbitrator on what ought to be considered in reaching an award. It is up to the board of arbitration to weigh independently the evidence presented by the union and the employer and come to a decision.



The provisions under schedule Q constitute a significant interference with the independence and integrity of the arbitration process. Under Bill 26, arbitrators would have to consider the following factors when they make a decision:

—the employer's ability to pay in light of its fiscal situation;

—the extent to which services may have to be reduced if the current funding levels are not increased;

—the economic situation in Ontario and in the municipality where the hospital is located;

—a comparison, as between the employees and other comparable employees in the broader public sector, of the terms and conditions of employment and the nature of the work performed;

—the employer's need for qualified employees.

CUPE strongly objects to the proposal forcing arbitrators to consider ability to pay in determining their awards. Over the past four decades, interest arbitration boards have rejected placing much weight on ability to pay when determining awards covering public sector employees and employers. Funding in the public sector is determined by government spending decisions. Thus, if ability to pay were a criterion in interest arbitration, governments could determine wages and benefits simply by allocating a fixed or reduced amount for employee compensation. The tripartite process of interest arbitration, although ostensibly intact, would in reality be directed by the unilateral decisions the government.

As arbitrator Harry Arthurs wrote in a 1965 award between the Building Service Employees and the Welland County General Hospital, consideration of ability to pay would make the interest arbitration process a sham. At that point in time, the Ontario Hospital Services Commission controlled the annual budget of hospitals. Mr Arthurs commented:

"The level of wages would then in fact be determined by the commission in approving the hospital's budget. Since the union is not privy to budget discussions between the hospital and the commission, it would be in the unenviable position of being unable to make representations regarding wage levels to the very body whose decision is effective—the commission.

"On the other hand, the arbitration board would be left with the simple, almost arithmetical, tasks of applying the percentage increase remitted by the commission to existing wage rates."

In 1974, the Ontario government established a Hospital Inquiry Commission. One of its objectives was to recommend criteria for arbitrators under the Hospital Labour Disputes Arbitration Act. The commission, chaired by Mr. D. L. Johnston, provided a detailed examination of wages, working conditions and collective bargaining in the sector. It is one of the few government studies which looks extensively at compulsory interest arbitration. The report of the commission was emphatic in its rejection of ability to pay as a criterion for interest arbitration.

"In our view, 'government guidelines' or 'ability to pay' have no place as criteria for settling hospital compensation. Supporters of such criteria argue that as ability to pay is a factor in private sector bargaining, it is also relevant in the (quasi) public sector. We consider the

comparison invalid because the absence of 'product' market forces of supply and demand in the public hospital sector and of the strike and lockout sanctions strips the ability-to-pay concept of any meaning it may have in the private sector.

"We do not deny that public hospital expenditures in Ontario are subject to some upper limit. Furthermore, it is quite appropriate for the Ministry of Health to inform hospitals and their contract negotiators of estimated total government expenditures on public hospitals. However, such estimates should not be made public, should not be admissible as evidence to an arbitration tribunal and in no way should influence any settlement made by such a tribunal. Clearly such influence might undermine application of the 'external comparability' criterion. Further, as long as employees have no access to the strike weapon to 'test' ability-to-pay pressures, ceilings should not be imposed on them."

The ability-to-pay criterion also leaves the door open to employers to unilaterally budget for wage freezes and/or reductions. If employers can unilaterally fix and/or reduce the budget for employee compensation and then argue that arbitrators are bound by the employer's budgetary decision, the process of collective bargaining itself would be undermined. There would be little incentive for employers to reach an agreement when it is clear that arbitrators will have no choice at the end of the day other than to award the employer's position.

CUPE also has major concerns with the requirement that arbitrators consider the extent to which services may have to be reduced if current funding levels are not increased. This criterion could result in arbitration boards forcing employees to subsidize a poorly funded operation by accepting substandard wages and working conditions. Instead of funding cuts falling equally on all members of the public, public employees would, under the proposed changes, be expected to absorb the brunt of funding constraints.

Further, we believe this criterion could open the door for arbitrators to look at all aspects of operation of the employer and determine where spending priorities and service cuts should fall. Boards of arbitration would be required to consider whether, for example, the costs of a wage increase could be better absorbed through a cut in management than a cut in front-line staff. Indeed, the purview of the board would be broadened to a considerable extent, far beyond the scope of the collective agreement.

#### 1130

The proposed amendments to interest arbitration will skew an independent process in favour of employers and force arbitration boards into applying policy at the bargaining table. The right of employees in essential services to bargain collectively would be severely restrained by the proposed Bill 26. Arbitration boards must be free to weigh the evidence presented by both parties without the interference of the government. Accordingly, CUPE urges this government to withdraw all of schedule Q amendments.

The omnibus bill will effectively eliminate the proxy pay equity method of comparison on January 1, 1997. The proxy provisions were added to accomplish pay



equity for female workers in the broader public sector who were effectively denied pay equity because they had no male job classes in their workplace. The proxy provisions meant that workers in child care centres, nursing homes, children's aid societies and women's shelters would obtain pay equity. Bill 26 will eliminate these provisions.

The main features in schedule J of Bill 26 are:

The only proxy pay equity obligation of employers who use the proxy method is to spend 3% of their total 1993 Ontario payroll, or such lesser amount as is required to achieve pay equity, between the period of January 1, 1994, and December 31, 1996. Once that 3% of 1993 payroll is paid out to the employees in the form of pay equity adjustments, the employer's proxy pay equity obligations cease.

Schedule J supersedes previously negotiated proxy pay equity plans and adjustment schedules. It states, "An employer who has posted a pay equity plan before this subsection comes into force is not bound by a schedule of compensation adjustments for achieving pay equity set out in the plan or in any other document."

Schedule J, amending part III.1 of the act, allows the employer to change the pay equity adjustment schedule unilaterally, so for the purpose of amending the adjustment schedule, the omnibus bill also overrides subsection 14(4) of the Pay Equity Act requiring the employer and the bargaining agent to agree on the pay equity plan, and 15(7), permitting employees to take complaints to the Pay Equity Commission.

Schedule J where it amends part III.2 of the act requires the employer to give written notice of amendments to the adjustment schedules to the affected employees and to the bargaining agent, if any. This will be crushing news to CUPE locals who depended on the proxy method to achieve pay equity. Hundreds of CUPE locals negotiated plans which promised to yield 20%, 30% and even 50% increases to many female job classes. The fact that their hard work in negotiating a proxy pay equity plan will be reduced largely to a 3% increase is a serious blow.

Pay equity will never be realized for members of locals who work in traditionally female job ghettos. This is discrimination against workers who are in the greatest need of pay equity. The proxy provisions will still apply to the private sector.

Schedule J requires employers to use 3% of their 1993 Ontario payroll on proxy pay equity adjustments by December 31, 1996. However, subsection 9(2) repeals the proxy method on January 1, 1997, including the enforcement and compliance sections of the Pay Equity Act pertaining to proxy provisions. The means employees who do not receive the 3% by December 31, 1996, will have no legal recourse to complain about the employer's non-compliance. This is an absolute outrage. Not only has the government effectively reduced the employers' total pay equity entitlement to a paltry 3%, but this bill also offers them a red flag not to comply with this amendment because there is no penalty for non-compliance.

Unless this section is amended, schedule J makes a mockery of what is left of proxy pay equity. It does not even guarantee women that employers who have received

proxy orders from the Pay Equity Commission will have to pay out the 3%.

As the government is well aware, subsection 37(1) of the Pay Equity Act calls for a comprehensive review of the act in 1995. Not only has the government failed to live up to its legislative obligation to conduct this review, but it has unilaterally tabled legislation to stop in mid-stream hundreds of thousands of Ontario women from achieving pay equity.

To say the least, it is entirely premature to eliminate the only pay equity method to which women in predominantly female workplaces are entitled, without any discussion as to its impact on this sector of working women.

We urge this committee to withdraw this schedule J of the Savings and Restructuring Act, 1995, and ask the committee to recommend that all decisions on the Pay Equity Act be postponed until such time as the Pay Equity Act review is conducted and public hearings are convened to allow the women of Ontario to respond to proposed changes to the act.

In conclusion, as members of the Canadian Union of Public employees, we say scrap this bill. Otherwise, public services, programs and infrastructure will be irrevocably dismantled, democratic institutions and standards will be destroyed and Ontarians will suffer incalculable harm. This is anti-democratic legislation which turns a blind eye to the traditions, values and institutions of our province.

**Mr Tascona:** Thanks very much for your presentation. It's very thorough. I certainly understand what direction you're coming from; I'd just like to make a comment on a couple of areas.

With pay equity, proxy comparison doesn't exist in any other province, and in Ontario it only applied to the public sector; it never did apply to the private sector. I just want to clarify that, and also that the government has still committed over \$500 million to achieving pay equity in the proxy area.

With respect to the right to strike, that's the first time we've heard—we haven't heard from the firefighters and the police about wishing to be given the right to strike. They've pointed out that they accept the process they're under, and public safety is paramount to their approach in wishing to stay under the arbitration provision. What they object to is schedule Q in the way you've approached it also. But we have received presentations from the firefighters recently in Niagara Falls that ability to pay is a factor now being considered by arbitrators in coming to grips with the fiscal reality they're facing.

With respect to independence, I think you've put it correctly. Arbitrators are being asked to consider only, and that's in other jurisdictions of the public sector where they have mandatory criteria. We have heard from the Solicitor General that these provisions that must be considered are not exhaustive, and submissions and evidence can be put into the process for an arbitrator to simply consider. Since they're only being asked to consider, that doesn't take away their independence, as any judge would have the independence to consider a statute in making a decision. I don't believe anyone has



said a judge isn't neutral or independent because they have to consider a statute, which an arbitrator has to do.

But I'd just like to put to you the fiscal reality we face. We can't look at a situation where an arbitrator just awards a wage increase and then expects it to be passed on to the taxpayers. From what we're hearing, the taxpayers don't want to hear anything more about tax increases. What would you think of a process where we try to get savings by reworking the process in terms of compensation, work together at the municipal level, in the hospital area, which you represent so capably, in terms of saying, "Productivity bargaining is the way we have to go to try to save our members' jobs and try to come up with a fair compensation package"?

**Mr MacKenzie:** You have to look at the fact that when you're going on simple ability to pay, it's a redundant clause because you can come up with anything, you can make numbers sing and dance if you put effort into it. You can budget a certain amount and say: "This is all you're going to get, and that's it. That's all we have play with." When you're going into arbitration, my ability to pay my bills at home isn't a factor; it has nothing to do with anything else. Why should the ability to pay, when they're the ones making the budget? It makes no sense.

1140

**Mr Gerretsen:** I'd like to congratulate you on an excellent brief. You've put the ability-to-pay argument and what the historical notions have been about that in better form than anyone else before this.

What my friend is saying is totally incorrect. The police and firefighters have not been in favour of the ability to pay. They have said that the general finances in an area obviously are going to be a factor.

What you've put better than anybody else is the historical aspect that ability to pay really means a willingness to pay. The governments in the past have set up commission after commission—I served on one in the early 1980s—where they brought association heads together, AMO, which I represented at the time, to deal with this whole notion of ability to pay. They darn well knew that this was like a red flag they were waving at people. I can tell you that the police, the fire, just about every organization that's come to us, have been dead set against this provision, so the notion or the suggestion that they agree to it is absolute absurdity.

I'd like to congratulate you on your excellent brief and putting the ability-to-pay argument in its historical perspective. It's not something you can just quickly throw into an act. If they want to talk about it, fine. Get everybody around the table and let's talk about it. But it cannot be done within the month or month and a half we've got.

**Mr MacKenzie:** I agree with you 100%. It's not a matter of whether they can pay; it's a matter of the willingness and where they're going to distribute the funds. As long as they're in control of where the funds go, they're going to come up with their numbers arbitrarily. Whatever they decide they're willing to spend is what will be spent. That's not the way the system's supposed to work.

**Mr Gerretsen:** You say it best in your first line on page 9 where you say it leaves the door open to

employers to unilaterally budget for wage freezes or reductions. As a former mayor, I know that municipalities, school boards and everybody else who deals with the public service thinks about it in exactly that way, and don't ever let anybody dissuade you from that.

**Mr MacKenzie:** No one will.

**Mr Len Wood:** Thank you very much for coming forward. It's good to see people from Kapuskasing after the rough times you went through with restructuring about four years ago.

I know you're talking from experience on the ability to pay. In your conclusion, you're saying Bill 26 should be scrapped because it's leaving the door wide open, that the mayor and town council will use arbitration as a way of eliminating whole departments or whole workforces and eliminating the collective bargaining process. We saw what Mayor Piché was trying to do in Kapuskasing before the five town councillors finally took control and took power away from him and went back to the collective bargaining process and settled with the firemen, CUPE and the policemen. It had to happen.

It's an excellent presentation. We can see what happens when we have a dictatorship, through the ability of arbitration to take control.

**Mr Jim Croteau:** That's the key word: dictatorship.

**Mr Silipo:** When I was Chair of Management Board, one of my responsibilities was to try to bring about a solution to the pay equity problem, particularly the proxy pay equity issue. We were able to find a way to put in place the proxy pay equity provisions, against the prevailing view in the bureaucracy of government at the time which said it couldn't be done. We worked with CUPE, we worked with many organizations to arrive at that exactly for the point you've made: that some 100,000 women, among the lowest-paid women, who were not covered by pay equity now are covered. What this government is doing is taking that right away from them.

The absurd result will be, for example, that a school secretary will continue to be covered by pay equity but somebody who works in a child care centre will not. That's the craziness of what they're doing, the sledgehammer approach of coming in and making changes holus-bolus without thinking them through. As you said, in this instance there's a provision to do a review, so we certainly agree that we should withdraw this schedule from the legislation and look at it carefully. If changes need to be made to pay equity to improve it, let's look at that, but let's take our time and do that.

**Mr Bisson:** Another point with regard to arbitration: Over the past five to seven years, my understanding is that the increases you've had in the municipal sector haven't been very large. Is that true?

**Mr MacKenzie:** "Not large" would be the wrong phrase. "Non-existent" would be the perfect phrase for what we've got in any kind of remuneration.

**Mr Bisson:** So why does the government need to do this if already free collective bargaining, even before the social contract, did not get you the kinds of increases they're worried you may get and force municipal taxes up? What is this really all about?

**Mr MacKenzie:** On our individual local we had considerable reductions in our staff; we had wage freezes



for three years prior to this time coming. We've had the boots put to us several times and then they're going to come in and lay the boots to us again? That's not the way things operate. It's just not fair.

**Mr Croteau:** I used to work in the paper mill in Kapuskasing. They closed down Kimberly-Clark over 11 years ago. At this time I am finally, being with the town of Kapuskasing for 10 years, making the same wage I was when I left the mill.

**The Chair:** Thank you, gentlemen, for coming forward and making your presentation to the committee.

ONTARIO SECONDARY SCHOOL  
TEACHERS' FEDERATION,  
PORCUPINE DIVISION

**The Chair:** May I please have representatives of the Ontario Secondary School Teachers' Federation come forward. Good morning, gentlemen. Welcome to the committee on general government. I'd appreciate it if you'd introduce yourselves for the benefit of both Hansard and committee members.

**Mr Jack McLaughlin:** Thank you very much. My name is Jack McLaughlin. I'm the president of the Porcupine division of the Ontario Secondary School Teachers' Federation.

**Mr Pat Bamford:** Good morning. My name is Pat Bamford. I am district president of OSSTF, district 55, otherwise known as the Arctic watershed.

**Mr McLaughlin:** Before I begin, I just want to give you some idea that perhaps you will find that this presentation is not so much aimed at practical matters, although there are some discussions of some of the schedules. But my own personal bias happens to be that I graduated in history and philosophy, so I tend to look at things in that direction.

**Mr Bisson:** I can attest to that.

**Mr McLaughlin:** Thank you, Gilles.

At the outset, as a representative of the members of the Porcupine division of OSSTF, I want to thank the committee for the opportunity to make this presentation. However, it brings us no satisfaction to have to be involved in this matter for a number of reasons, and indeed some of what I may say may appear harsh.

In the first place, that we should be here today discussing what's been called by Maclean's the "Bully Bill," and that the only reason we're able to do so is that an opposition member had to break parliamentary rules and now suffer the consequence of parliamentary discipline is deeply disturbing.

Secondly, nobody should really take any solace in the fact that we are supposedly involved in the democratic process. In fact, the suspicion lurks that nothing said here, or anywhere else for that matter, will have any effect on this government and its revolution.

Thirdly, the democratic process, which involves not only elections but consultation and checks and balances on the power of the legislators, has been severely curtailed already by the Common Sense Revolutionaries with measures like Bill 7. Should this Bill 26 pass unrevised, the gap between revolution and dictatorship will have been bridged in one easy step.

Historians have often observed that those who know no history are doomed to repeat its mistakes. Our fear is that we are being governed by those who not only have no knowledge of history but have no respect for it either. Business criteria now form the basis of success. The humanities, including history, are frills that have no intrinsic value.

That anyone should think it acceptable to change 47 pieces of legislation with one massive, essentially undebatable bill makes Lord Acton's dictum about absolute power corrupting absolutely sound self-evident.

We do well to be reminded that unless power is accompanied with humility, the result is tyranny. Our forefathers recognized this, with the result that they built checks and balances into our political system. They knew only too well that human nature, being what it is, is readily corruptible by the power of a majority. What they did not wish and what we do not need is a tyranny produced by political ideology fired by the unexpected success of winning a majority government.

Many 20th-century dictatorships began with an exercise of democratic will in an election and ended with the death of democracy and the iron fist of dictatorship. We need to understand that democracy is a delicate plant which is remarkably resilient up to a point, but it is not beyond destruction. Hitler did not storm the doors of the German Parliament in the 1930s. He was duly elected, but once elected, he set about to ensure that all of the democratic rights and protections belonging to the German people were destroyed.

#### 1150

Governing in a democracy requires not only election but also that legislation be brought before the Legislature for analysis, debate and democratic approval. The plant of democracy may be pruned with care, but it is in danger of being bludgeoned by a blunt instrument in the form of Bill 26. Mussolini is said to have made the trains run on time. The obvious question is, however: Yes, but at what cost?

This government, which is neither, in my view, progressive nor conservative, is bent upon the ideological view of fiscal efficiency. The trains will run on time, no matter what the human cost. The commonsense commitment to a bottom-line efficiency is clear—nothing else matters. The end justifies the means, whether that means be the big lie, devious strategies or the manipulation of a trusting electorate. Who among us can really believe that our government leaders would actually mislead and manipulate us on so crucial an issue as the debt and the deficit?

For example, this government has consistently stated that Ontario spends more per pupil in education than anywhere else in Canada, or words to that effect. In fact, if well-meaning taxpayers, never referred to as citizens, understand the claim to be that Ontario outspends every other jurisdiction in the world, so much the better. The end—slashing funding to public education—is worthy of any sleight of hand or word.

Notwithstanding the fact that Statistics Canada does not support this claim about Ontario being the largest education spender in Canada, this government persists in saying so. Notwithstanding the fact that Ontario ranks



sixth in the level of per-pupil expenditure after the territories and three provinces, this government persists in making the claim that Ontario spends more.

Notwithstanding the fact that Ontario ranks 29th compared to US states in education spending, and Ontario's per-pupil expenditure is US\$300 below the American average and below all the New England, mideastern and midwestern states, this government persists in misleading the Ontario population about education costs.

Finally, notwithstanding the fact that these education costs have been reduced in the years of the social contract by some 20%, this government persists in the claim that education funding must be cut. In fact, Minister of Education and Training Snobelen exposed the Harris government strategy in its early days when he talked cynically about inventing a crisis—a strategy, by the way, that worked very well in New Zealand a few years ago. Certainly this Minister of Education has appeared to be on the cutting edge of invention since he took over the Education portfolio.

The facts do not support the claim that Ontario's education expenditure is excessive. The Treasurer along with the Minister of Education are somewhat dangerous myth-makers who are manipulating the electorate to make them believe that slash-and-burn budget-cutting measures are necessary and that Bill 26 is the instrument to bring about the needed restructuring—a softer word, no doubt, than “demolition,” but, as it turns out, in the mythology a perfect synonym.

I want to draw your attention to a number of schedules in the bill. Schedule Q, Amendments to Various Statutes with Regard to Interest Arbitration, instructs arbitrators that they must take into account the employers' ability to pay in any arbitration award. In other words, since there are no criteria by which an arbitrator can judge ability to pay apart from the employer making the claim of inability to pay, the arbitrators have been left in effect with instructions to take into account unwillingness to pay when they make their arbitration decisions.

This instruction amounts to encouraging an absolute bias towards employers and against the employees. It encourages the equivalent of arbitrary wage controls under the guise of inability to pay and justified by the mythology of excessive education expenditure.

Certainly, we who live in Timmins can offer evidence that education expenditure is not excessive. In effect, our wages have been frozen for the past three years. In the secondary system of the Timmins Board of Education, Rae Days have reduced salary. Staffing has been reduced by 6.25% over the past three years to meet social contract obligations. Not only that, but the average salary has been reduced significantly as a result of senior teachers retiring and either being replaced by junior teachers or not replaced at all.

The Toronto Star columnist Tom Walkom, whom we proudly claim as a product of the Porcupine, made the point recently that Ontario was already at the point of lean before the Harris revolution began its course. Now, if further cuts are made, or if excessive spending is used to justify asking arbitrators to put the Common Sense Revolution ahead of fairness, equity and justice, then the long-term results in education specifically will be disas-

trous. Cutting fat may be one thing, but we are now at the point of sinew and bone.

It is frequently argued that education is expensive. No doubt it is. After all, most of the things that last a lifetime and are major investments in the future are expensive. Not surprisingly, so is education. If, however, anyone thinks that education is too expensive, he or she should stop for a few seconds and consider the cost of ignorance. In education, as in any other worthwhile investment of time, money and energy, you get what you pay for.

Schedule J, Amendments to the Pay Equity Act, is another example of manipulation of public opinion. Wages paid to women are not excessive. The proxy method of redressing discriminatory wage practices is not the enemy. Since women are now shouldering the major share of the cuts in public service spending, they should not now be expected to accept being deprived of equitable pay for the remaining jobs. But once again the spokespersons for this government paint the picture for the public that taxpayers can no longer afford this pay equity. They suggest that such a concept is a Utopian dream which is placing an unnecessary drag on Ontario's economy. I suggest to you that the phrase “we can no longer afford” reflects not so much an ability to afford as it does an unwillingness to pay.

A government that is ideologically driven, that cares little for the past and that faces all decisions on a narrow-minded view of the bottom line certainly has no difficulty in opposing meaningful pay equity for women. Bill 26 is the instrument, and unless schedule J is deleted from this bill, women in Ontario—our mothers, our wives, our sisters, our daughters—will continue to experience life as it was lived in the 19th century.

Well-meaning people in the meantime will be convinced by the mythmakers that no alternative was possible. In the Darwinian world of the survival of the fittest, there are winners and losers. In this view, too bad that women can't compete, and if they cannot, then they lose. By the way, never level the playing field when you talk about competition. They just might win if you do.

This winners-and-losers notion permeates the thinking of much of the Common Sense Revolution. It surfaces from the land of the subconscious every once in a while, especially in questions about consultation. The revolutionaries are under the impression that: “We won the election, and that's all the consultation necessary. You, on the other hand, lost. Too bad. That's life in the Darwinian dog-eat-dog universe.”

Schedule J is a violation of all that is fair and just. Women are not the enemy. Equity in the larger society is a fundamental value, not an impediment to economic progress.

Schedule M, Amendments to the Municipal Act and Various Other Statutes Related to Municipalities, Conservation Authorities and Transportation, is a further indication of a totalitarian mindset. Section 8 of this schedule amends the Municipal Act to allow municipalities to make changes to local boards. They may do so in accordance with regulations to be made by the minister. In other words, power is being taken from the citizens and concentrated in the hands of a cabinet minister and from there to a municipality.



Since local boards could now be changed by ministerial decree, under Bill 26 it follows that a municipal council could do away with boards of education. In the words of the provincial OSSTF brief to the standing committee on general government:

"One can only question the wisdom of these reforms. Unenlightened municipal councils, impatient at the fiscal autonomy of school boards and the obligation that municipal councils have to pass on unamended the local board's mill rate, might be very tempted to dissolve a board and place it under the wing of a committee of council. This would be a grievous error."

None the less, the architects of this mountain of legislative change saw fit to allow such a possibility to occur. They tell us that this government is dedicated to the concept of smaller government—some would say no government—but unless government concentrated in the hands of the few is equated with smaller government, then what we have is not less governmental interference in our lives but the spectre of a totalitarian state.

It would appear that the real purpose of Bill 26 is not to take government out of our faces but to remove the checks and balances in the system that ensure that the ship of state sails in the direction desired by the people. Oligarchy, or rule by the few, has a long tradition, but it has not been seen in Ontario since the 19th-century Family Compact and the rebellions in Upper and Lower Canada. Apparently, it's about to be revived. Democracy is irritatingly slow when a revolution is a desired result. Why is it, then, that we are surprised to find democracy fatally diminished in the hands of those who cast themselves in the role of revolutionaries?

1200

Schedule L, amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, 1994, is a prime example of the totalitarian mindset at work. It is mean-spirited and irresponsible at the very best, and the whole schedule ought to be removed in its entirety.

Apart from the essential mean-spiritedness of this schedule, its abuse of power—"absolute power corrupts absolutely"—is most readily seen in that in insidious aspect of the bill in which the government grants itself immunity from the rule of law itself. The bill exempts the government from proceedings "for an action taken or not taken...for the breach of fiduciary or other duty in connection with the windup or failure to wind up...for damages for the breach of an agreement...."

We need to focus on what is being said here. While doing so, keep in mind that the supporters of this bill feel strongly that meetings such as these are essentially unnecessary impediments to their program. What is really being said is that once a law is made by this government, if that law breaks the law, then it can make another granting itself impunity for doing so. With these provisions, we have gone in one, easy step from democracy to dictatorship.

The suspicion remains that even those who framed these provisions knew that they were democratically unacceptable. How else can one explain the deliberate attempt to sneak this legislation past our elected representatives on the day when most of us would be preoccupied

with the financial statement announcement made by Mr. Eves?

Members of a democratically elected Legislature should be horrified at this blatant disregard of the rule of law. They should, on behalf of the citizens of Ontario, absolutely refuse to endorse any provision of Bill 26 that places the government, cabinet or individual ministers above the law. To do otherwise is to miss the very real danger that this bill poses for all Ontarians, present and future.

Time does not allow for a complete analysis of this omnibus bill. It truly is a dangerous blunt instrument which cannot be justified on the basis of expediency, political or economic. There are some things that are more important than speed: civil rights, democratic traditions and the rule of law, to name but three.

That 47 pieces of legislation were included in this bill; that it had to be split into medical and non-medical segments in order for these hearings to have any semblance of significance; that it contains, on examination, aspects that can only be described as dictatorial or totalitarian, leads me to say on behalf of the members of the Porcupine division of OSSTF that these hearings are inadequate, that this bill is repugnant to the democratic process and that those who framed it and promoted it to their political masters are unworthy of the trust placed in them to advise wisely.

As I stated at the outset, my words might appear harsh. There is little use, however, plastering over fatal flaws with a veneer of euphemism. As citizens of Ontario, not clients or consumers of government services, our elected representatives owe it to us to frame their arguments for legislation in open and honest ways. This is particularly so of those few who are chosen to be ministers. It is to them that the ultimate responsibility lies. As the servants of the crown, which in a constitutional monarchy is the people, they especially owe us integrity of leadership.

Creating crises where none exist, manipulating facts, figures and information because the end justifies the means and utilizing clever political strategy to outwit the opposition ought to be below the dignity of a democratically elected government. People who practise the art of government in this way do us no service, because they mock the rule of law, they devalue the democratic process and in the end they contribute to the cynically held view that no politician can be trusted. Small wonder then that there is a sense among so many of alienation from the process of government. This alienation is particularly seen among the young, whom one would expect to be idealistic rather than jaded.

Life in Ontario ought not to be a win-lose proposition. There is enough wealth, industry and goodwill in this province to produce a win-win scenario. Winning and losing ought only to be found in the playing of games, and life should never be cast in the mould of a game like Monopoly.

If every individual and every corporation resident in Ontario paid his, her or its fair share and if the government of this province applied itself to overseeing that this was the case, then there would be more than enough money to pay for adequate social programs, including education and health care, and more than enough work to keep a government gainfully occupied.



However, as long as the prevailing philosophy is governed by a 19th century, robber baron, Darwinian greed, then there will be winners and there will be losers. Bill 26 goes a long way to ensuring that winners will be few and very privileged and losers will be many and desperate. Those on the winning side, however, will comfort themselves with the notion that this state of affairs is natural and presumably therefore right. Those on the other side will understand just what Thomas Hobbes meant when he said that life in the state of nature would be "nasty, brutish and short."

I trust that the Hobbesian vision of life is not the one that Mike Harris and his government have in mind. If they don't, then they should be well advised to take into account the law of unintended consequence. Bill 26 needs to be split up, examined, rewritten and debated in the Legislature over a period of weeks. Apart from that, the consequence, intended or otherwise, may well be the end of true democratic decision-making for decades to come.

*Applause.*

**The Chair:** Order, please. Questions from Mr Phillips.

**Mr Phillips:** I don't think you've overstated the case.

**Mr Young:** Oh, come on.

**Mr Phillips:** "Come on," he says.

**Mr Young:** Mussolini, Hitler, totalitarianism: You don't think that's too much?

**Mr Phillips:** They provoke me.

**The Chair:** Order, please. Mr Phillips has the floor.

**Mr Phillips:** This is a government that tried to pass this bill in two weeks. In this bill they attack pensions, which they couldn't do legally, so they want to pass a law that takes \$250 million of pensions from the public servants. They essentially render arbitration useless; that's what they've done. They cut funding so that they provoke public servants. They gut pay equity. All of these things, I think one could argue, are designed to provoke our public sector at a time when you're heading into negotiations. And I'm responding as much to the member across the way as I am to you.

I guess I'd like to get a sense of the environment we're going to face over the next few months in Ontario as we get into bargaining with our public sector. With the government having done all of these things, what is the feeling by the OSSTF, and I guess teachers generally, about the climate that our school boards are going to face as they head into negotiations as a result of the combination of these two things? This fiscal document—and this is the hammer that lets them do that, make no mistake about that. What should we expect just in terms of the bargaining climate and the relationship between teachers and their school boards?

**Mr McLaughlin:** I'm really hoping, although the environment for collective bargaining has been very badly poisoned, that somehow or other at the local level there will be a way of dealing with this. But quite frankly, from where I sit, it seems as though the possibility of any kind of real, amicable collective bargaining has been drastically diminished.

**Mr Phillips:** You mentioned the pension thing. I think you're aware the government tried to do this by regulation. Behind closed doors at the cabinet table they tried to take \$250 million out of the public sector pension. But

they were caught. The public sector unions took them to court. The court said: "You can't do this. You are acting illegally. You are violating the Pension Benefits Act designed to protect pensioners." Now we find that they're trying to do it by passing a law exempting themselves from the Pension Benefits Act, which is the act designed to protect all pensioners in the province. So they are excluding themselves from that protection.

I guess I'm asking the teachers' group, because you too are involved, not in this bill but in future pension negotiations, is there any concern by the teacher organizations that the government might at some stage try an attack on your pension this way?

**Mr McLaughlin:** It seems to me that we live in a society that deals with problems frequently on the basis of precedent. Once a precedent is set and it's done once, then it's an awful lot easier to do it a second and third time. That disturbs me greatly, that in fact there is in the tradition that we have lived in this idea of rule of law and that nobody, whether the smallest person or the highest person, whether the Prime Minister or an ordinary citizen, is above the rule of law. Yet what I see here is something that looks suspiciously like a government attempting to place itself above the rule of law.

1210

**Mr Bisson:** I want to thank you very much for your presentation, because I think that really you strike the core of what this is all about, which is a move on the part of the government to diminish the role of the citizens in a democracy and the role the citizens can play in bettering themselves and bettering the plight of other people within our communities.

I'm quite concerned, as you are, that what this really is is a direct attempt and a plan in order to consolidate power away from the people who need it, those people in society who are least able to defend themselves, into the hands of those people who have the most of it. I think you see that, as Mr Phillips says, through the various portions of this bill, everything dealing with the wage arbitration act changes, the Pay Equity Act changes, section M of the act, just repetitively, and not only in Bill 26 but in other pieces of legislation that this government has already passed and is in the process of putting in.

I wonder where that leaves us, because it always has been the attempt of any democratic society to better itself over a period of time. What you try to do is make the conditions for your citizens better. We're always building in order to make a more caring and compassionate society, and I wonder where they're going.

It leads me to this question: There are a number of people—and it happened just yesterday. I run my cable show once a week where people call in. Somebody raised the point, and it's a point that's been raised before, that we in opposition shouldn't oppose this, because, after all, we had our opportunity when we were in government, be it the Liberals or the New Democrats. We should fall in line and we should follow the Conservative government agenda, because, after all, they have won a majority in our democratic system. People are saying in some cases that we shouldn't oppose; we should just follow this.

The first question I would have is in regard to that, if you can respond to that. The second thing is, what the



heck does this government have to gain by moving forward with a dog-eat-dog agenda? If you can respond to the second point as well.

**Mr McLaughlin:** Just briefly remind me of the first question.

**Mr Bisson:** The first question is, should the opposition oppose?

**Mr McLaughlin:** Very much so. It seems to me that the opposition has a role in the parliamentary system that's every bit as important as the government and is known as Her Majesty's loyal opposition.

**Mr Bisson:** Somehow we are disloyal in all of this, and that's the question.

**Mr McLaughlin:** Whether it's the NDP or the Progressive Conservatives winning a majority, that's not the end of the issue. In fact winning a majority is simply the first step in governing. There are a whole host of other things that have to be done in order to make sure that all these checks and balances that have been placed there for a reason—our forefathers understood human nature as well as, if not better than, we do. They very quickly built into this something that said that the opposition has a role to play. A majority does not entitle one to act—

**The Chair:** I thank you for your response. I apologize for having to interrupt, but we've gone beyond the third party's time. Let's move to the government's time.

**Mr Young:** I'd just like to comment on some of your comments in the interest of getting the information correct. The government did not try to sneak the bill in. There's never debate on first reading of a bill, and it's important to have that on the record.

Second, when the negotiations between the House leaders broke down, there was an offer on the table for 360 hours of hearings regarding Bill 26—

**Mr Gerretsen:** All in Toronto.

**Mr Young:** —which the opposition turned down. I want you to know that. That's very important because of some of the things you said too.

As well, a key plank in our election platform, and we distributed a million copies of the Common Sense Revolution across Ontario, was that we were going to get rid of Bill 40, so I don't know how you can say people were not consulted and they were not given a choice about that proven job killer—

**Mr Gerretsen:** They may have voted for you, Terry.

**Mr Young:** I want to assure you that this is a very real process. We will have heard from over 300 and perhaps as many as 360 different delegations. That will include 12 teachers' unions and a total of 49 representative groups from labour. We are listening, and I don't think it goes too far to say that there will be changes to the bill. I want to assure you about that too.

I was disappointed in your presentation, that I didn't hear—

*Interruption.*

**The Chair:** Excuse me. The standing orders of the Legislature are not to have demonstrations in a room. If you continue the demonstration, I'll be forced to recess. We'd like to hear from our presenters, please, and you're just taking time from the presenters. I'd appreciate if you'd please lower the sign.

*Interruption.*

**The Chair:** I'm going to call a recess until 1 o'clock. *The subcommittee recessed from 1216 to 1302.*

## TOWNSHIP OF DYMOND

**The Chair:** Good afternoon and welcome back to the standing committee on general government.

May I please have representatives from the township of Dymond come forward. Good afternoon, gentlemen. Thank you for being here today to appear before the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions from the three caucuses. I'd appreciate it if at the beginning of your presentation, for the benefit of the committee members and Hansard, you'd both take a little bit of time to introduce yourselves.

**Mr Carman Kidd:** Thank you, ladies and gentlemen. My name is Carman Kidd. I'm the reeve of the township of Dymond. This is John Telfer. He's our clerk-treasurer.

Dymond township is located just to the north of the Tri-town area, being Hillary, New Liskeard and Cobalt. It's a small, mainly rural township, just over 1,200 people, and it has a fairly substantial commercial base, some industrial, a fairly large residential area, as well as a majority being in the rural agricultural land base there. We'll basically run through our presentation here.

I would like to firstly thank the committee for allowing me to speak on behalf of the township of Dymond.

Bill 26 has put the fear of God into most every municipality in Ontario because of the long-term ramifications of such a large and diverse bill. However, I will focus and address my comments and concerns to schedule M.

Schedule M has many dangerous loopholes that could cripple and destroy a municipality at the stroke of a pen. Let's not hide the fact that restructuring has two avenues, financial and boundary realignment. The latter is the focus of our concerns.

Our concerns are related to the fact that any larger centre will attempt to annex or amalgamate surrounding municipalities as a means of generating additional and needed revenues to help with their own existence. No extra efforts will occur from within to restructure their own current operations, but rather to find a cash cow to help address the immediate and not necessarily the long term. Population will win most every proposal submitted to the ministry, as the terms of the schedule address majority as population and support of 51% of any participating group of municipalities. Rural Ontario will become the victim of all urban municipalities that want to increase their land mass.

Our council feels strongly about the terms of annexation and amalgamation, as we were victims of an attempt in 1979. At that time, our neighbouring municipality wanted the areas of high assessment in our municipality, with no real regard for the rest of our municipality. What avenues have changed today? It's strictly a cash grab with no evidence of concern to ensure services to our rural community.

We also wonder if a fiscally responsible municipality that is able to provide services even with the provincial



cuts in 1996 and 1997 needs to be a prime candidate for amalgamation. If we are able to provide and are not a burden to the province, then what makes a provincial solution the right solution? The status quo should be a real option to such a municipality. Nowhere in this Bill 26 is there any mention of a municipality remaining status quo if a proposal is submitted.

Realistically, most northern municipalities could not control large land masses as a single municipality because of the sparse population and the services required. This would probably be supported by a commission for the simple fact that it relieves a major problem for the province dealing with several municipal councils, but in reality the financial burden would be far too great for the newly formed municipality.

Let us consider if a long-term liability within any municipality is enough reason to seek additional assessment from another municipality. Dealing with the here and now is an easier step for municipalities than securing long-term fiscal restraint and efficiency from within.

Our concerns are not without recommendations to the standing committee on the above considerations. We understand the fact that changes are inevitable, and we are not opposed to change, but rather to the uncertainty that a municipality may lose control of its own destiny, regardless of its ability to offset recent cuts.

We would like to also point out the fact that initiation of an amalgamation under these terms can have negative effects for municipalities that are more financially responsible than others, in the sense that the easiest way to amalgamate is to cry poor and expect the commission to react to the plea rather than the ramifications to the municipality that has been fiscally responsible and thus better able to cope with restraint. Any attempt to amalgamate municipalities must be done on a level playing field, with no reference to majority population dictates over small rural communities, and the true answer must come from a local decision by the municipalities involved.

We also disagree with the power given to the minister and his appointed commissioners to decide the fate of certain municipalities. We have seen the benefits of the OMB hearings during an annexation attempt. It allows for public input as well as sound discovery through the legal system. In our case, 1979 was a prime example of democracy at work, with full attendance by residents at each day's hearing. It is important not to confuse the importance of the public being able to input into this type of process. There could also be confusion over the proposal process, as I suspect that several different scenarios will surface in our area that involve our municipality. There needs to be a clear plan of local discussion that is not interrupted by pressures of other proposals awaiting review.

We might also recommend that financial restructuring be the only avenue for the next few years, thus allowing municipalities the opportunity to review, reduce and study options of services, facilities, and where there could be sharing of services. Many smaller municipalities such as Dymond are already sharing services, sharing purchasing power and administration and preparation of road and street concerns that affect all the municipalities. If this opportunity was allowed to proceed without interference

of annexations or amalgamations, a more productive picture could be painted and exercised in the fact of doing more with less. If the government feels it is clearing dead wood to make local governments more efficient, then it is going to hurt the most streamlined operations, those being the small townships. If the government is intending to reduce the number of municipalities in Ontario, then it should not be at the expense of efficient rural townships.

1310

We know that reducing the number of local governments is on the agenda of the provincial government. We are sure that rushing this Bill 26 through is a clear indication that not all areas of concern have been addressed; rather, it's a mandate to impose its will on the municipalities. There is support among certain groups such as AMO, but there is a real threat to the future of several municipalities in Ontario.

We question certain areas of this bill in particular for clarification, the first one being clause 25.1(a), clarification of the term "timely and efficient manner," how that pertains to proposals; the second one being from subclause 25.2(2)(b)(i), clarification of "prescribed degree of support." When you've got two or three municipalities putting in proposals, just how is the degree of support from each municipality tied into this whole process? The other one is the "prescribed criteria." What is required in these proposals? In section 25.4, we'd like clarification of "restructuring principles." These are some of the things that we'd like to see clarified.

In closing, our municipality has displayed controlled delivery of services with limited staff in all of our departments. We provide an adequate delivery of services at a reasonable tax level, with limited assistance from the provincial and federal governments. Our municipality has a strong base of volunteers that help to keep our costs down, and we feel that it is the volunteers over the years that have made the township of Dymond what it is today: basically a success story in the Tri-towns.

Unfortunately, Bill 26 opens the door for forced annexation and forced amalgamation that will destroy the efforts of a municipality that strived for and prided itself on independence. This Bill 26 is a slap in the face to volunteers who give of their time to the community they love. If ever there was a mistake in the making, this is it.

I urge you to take a moment to review what really makes a municipality, and then ask these same people to give up all they've worked for. Bill 26 has some strong attributes that apply in certain cases and probably could benefit certain situations, but to impose it on the whole province is unfounded.

I thank you for this opportunity to present this document.

**Mr Bisson:** I'd like to thank you for your presentation and also your willingness to drive a fairly long distance. I was through the town of Dymond yesterday, as I am many weeks driving up and down to Toronto. There's been a lot of work done in that community, and I would congratulate you on the new look that the community is getting in regard to everything that's happened along the highway. It's quite commendable.



I just want to ask you a couple of questions as the Municipal Affairs and Housing critic for our party on this whole approach that the government is taking in regard to annexation. I fear that your fears are true. I've had a number of larger communities where the first question they've asked me as critic is, "Does that mean to say I get to annex the small community next to me or the local board?"

I guess that troubles me in the sense that it flies in the face of everything that's been done by communities across not only northern Ontario but I would argue the bigger part of Ontario in trying to find ways to be able to share services, to be able to share the way that we do things so that we're able to reduce the cost to our taxpayers, such as what you've done in your community but also, I would argue, as has been done other places.

I wonder if you'd want to expand on that, because I think that's something the government needs to hear. I know in the sector of health care as well as municipalities, the government argues that it needs these tools in order to make all of this happen. The reality, though, is that a lot of this has happened, is happening, because you're responsible to your taxpayers and you go out and do the job that needs to be done, and if that means to say you give up a bit of power by working together with another community, you're prepared to do it. Maybe you can expand on that and give that message, because I think that's something they need to hear.

**Mr Kidd:** Yes. Dymond, over the past, has shared services. We've joined in with the town of Haileybury for our garbage collection. We've worked with them. We've worked with the town of New Liskeard with our sewage proposals. Our public works has worked with a number of rural townships, as well as the towns of New Liskeard and Haileybury, for their public works. Almost all our purchasing is done jointly for public works.

The biggest problem we have with any type of annexation is, what happens to the rural part of our township? I'm a dairy farmer myself. I live in rural Dymond. I've got to look after the commercial base, I've got to look after the residential base, but I've also got to look at the majority of our land base, which is still rural, still farming. If you look at any type of restructuring, annexation, whatever, they're not interested in the rural part. They're interested in the high assessment base and that's the only thing they're interested in. So I've got to do something to protect and look at the infrastructure in the rural townships. They've got to still maintain the roads; they've still got to keep the snowplowing.

**Mr Bisson:** Let me ask another question before it goes to my friend Mr Wood. Knowing that this bill is going to give larger municipalities the ability to annex smaller communities without their say, why should any of the smaller communities try to work towards efficiency after this bill? Do you think that it will prevent those municipalities from doing what they've already been doing?

**Mr Kidd:** This is why we wanted to see the bill be amended to the point where it's maybe got to hold off on the annexations or amalgamations for at least three or four years to allow everybody a chance to downsize, cut their costs, take a look at their administration and that, and see where they can save money. That's something

that's got to be done for the next three or four or five years and see where the cost savings can be.

**Mr Len Wood:** I also appreciate being able to see Dymond as I drive through there.

I'm curious. You're saying that you think Bill 26 is going to do the reverse of what the Mike Harris Tory government is talking about: getting volunteers more involved. You're saying that this is going to destroy the volunteer system that is already out there to deliver the services to these small communities. I've had a large number of calls from small communities saying, "What happens now that Mike Harris is just going to say, 'All of you small communities, you're all going to be taken over by this one municipality in the middle'?" I just wanted to know if you want to comment further on a system that's working well. Why destroy it?

The second part is, was there any consultation with any of you people prior to this bill being introduced?

**Mr Kidd:** No, there wasn't any consultation with us.

We really pride ourselves in having a large base of volunteers. All our sports are run by volunteers. They really get involved in the municipality. They feel they can come in and ask us for a little bit of funding to get things started. They can start up new proposals, new sports and that. We can work with them and they feel really comfortable setting up and doing things as volunteers, whereas in a large municipality they don't feel comfortable doing that.

**Mr Klees:** I thank you for your presentation. I just want to again, for the record, before I ask my question, clarify the intent of Bill 26. Contrary to what Mr Bisson has just said, this bill will not allow a large municipality to annex a smaller municipality without its say; this bill clearly provides for a process for appeal of a request from a local municipality to initiate a restructuring proposal. You make reference in your presentation to the fact that the OMB hearings, for example, worked very well in that it was a democratic process where representations could be made. The minister, in speaking to this section of the bill, has in fact drawn that parallel. He's saying the commission, once appointed, would effectively play a similar role in structure so that we have a commission to which appeals could be made and to which representations could be made regarding that.

The intent clearly is that any initiation for restructuring would be at the local level. Now, what we want to do is to ensure that you've got the appropriate input into a structure like that. In addition to the fact that we have clearly stated that the initiative for amalgamation would have to come from the local level, is there anything else you'd like to pass on to us that you'd like to see included in that process to ensure that you have your adequate input?

1320

**Mr Kidd:** Just reading through the bill there, we're very concerned about the prescribed degree of support. If we've got, say, three municipalities—two that are in favour, one that's not in favour—how much discussion has to take place in order for the municipality that's not in favour of it to be drawn into the proposal?

With your bill you say you need 51% of the majority of municipalities in support of this proposal, so if we



have two municipalities out of three in favour of a restructuring proposal, the third municipality may get a phone call, saying, "Gee, we've named you in our proposal," and that may be all the consultation that we're looking at and it may be the only input that we have into the whole proposal.

**Mr Klees:** Okay, you understand that request from the local municipalities is for the purpose of initiating the proposal, the discussion for a restructuring proposal. Do you have a problem with at least participating in a discussion as to what the advantages would be or the disadvantages would be so that a logical conclusion could be reached?

**Mr Kidd:** No, I don't have a problem. The only problem we have is that we may be named in maybe two or three proposals at the same time. Which one do we work with? How is the time frame laid out as to which plan we work with? Probably in that area you've got four or five municipalities plus enough numbers of other townships. Maybe there will be three or four different proposals.

**Mr Klees:** Okay, so you don't have a problem with participating in a restructuring proposal.

**Mr Kidd:** No. We've always looked at ways of trying to cut our costs.

**Mr Klees:** I just want to clarify briefly. Contrary to what I heard from the other side of the table here, it is not a fact. I can assure you it is not a fact that any restructuring would take place without your input and without your having had an opportunity to provide factual information and have extensive discussions. It is categorically not true.

**Mr Len Wood:** Big fish eat all the small fish, Frank.

**Mr Klees:** So I would like again just to clarify that the process here is what we're talking about. You have no problem in participating with an orderly process as long as you have adequate input and as long as, as you say, you're not asked to participate in four or five different restructuring proposals if someone has the right to make a decision which restructuring proposal you would be participating in.

**Mr Kidd:** No, we have no problem being involved in the process providing the details, being involved in the discussion of that, as long as we have a final say in whether we see benefits from being involved in the whole process. If we don't see any benefits, then we want the option of staying the way we are, status quo. We should have the option of staying as status quo as long as we can provide services to our constituency, even tying in the cutbacks.

**Mr Gerretsen:** Well, let's get it straight: Mr Klees is not the parliamentary assistant for the Minister of Municipal Affairs. Not that that makes any difference, but let's just listen to the minister himself by what he told us on Monday, December 18. Your correction, by the way, in your presentation is correct, that right now a larger municipality could do it to you. But I'll just quote you exactly what the minister said.

**Mr Bisson:** Who said this?

**Mr Gerretsen:** Minister Leach: "With Bill 26, whenever a decision-making process stalls locally and a decision can't be reached or whenever it's obvious that

restructuring would benefit municipalities refusing to take action, it will be possible to appoint a restructuring commission. This commission will have the power to develop and implement its own restructuring proposal," meaning no appeal to anybody, not the minister, not to cabinet, not to the OMB.

It goes on to say—I'm getting to your point: "In order to ensure that restructuring is locally driven, I intend to introduce an amendment providing that a commission will only be appointed by the province when it's requested, either by at least one of the affected municipalities or by petition from the residents."

So it's not there yet. He intends to bring an amendment forward. Whatever Mr Klees is telling you may very well be with respect to an amendment that none of us has seen, but the minister himself realizes exactly the predicament that you're talking about in your letter, which you've taken, I guess, from the plain reading of the act the way it's presented here. Is that correct, sir?

**Mr Kidd:** That's our main concern. Yes, and we're really concerned that there's no public input in this at all.

**Mr Gerretsen:** You've had no public input into the amendments either. We have a vague thing here that says amendments will be coming forward, but that's it.

Then he also goes on to say, which is very interesting, "I'm pleased to announce that last week I met with the regional chairs and representatives of the Association of Municipalities of Ontario," and he did this, that and the other thing. Now, are you a member of AMO? You are a member of AMO. But does AMO speak for your local concerns in each and every case, sir?

**Mr Kidd:** No, AMO speaks for the majority of the municipalities. We're actually involved with ROMA as well in the rural municipalities but we're not getting any say in this whole proposal.

**Mr Gerretsen:** Right. Would you agree that the biggest problem with the restructuring and with the Municipal Affairs amendments themselves in the act is the fact that the public and the public hearing process have been left out completely?

**Mr Kidd:** I know, unless we had gotten involved ourselves, we wouldn't have known anything about this whole process at all. The normal person on the street doesn't have a clue what's going on. I just came back from an annual meeting of the dairy producers of Ontario—three days—I talked to the people down there. They didn't have a clue what was going on with this Bill 26. I brought it up to the Minister of Agriculture, Food and Rural Affairs. He was not concerned about this bill. I don't think he even really understood the ramifications of what's in this bill.

**Mr Michael Brown:** Just because I represent many townships which would be somewhat similar to yours. I represent the riding of Algoma-Manitoulin. We have quite a number of small municipalities. One of the things that bothers me is that we also have the issue, and I'm not sure if it applies to you, of unorganized townships in the area and how this restructuring may work when you start to involve unorganized townships.

When we start to talk about amalgamation it seems quite frightening to those people in the unorganized townships because they have no government at all,



essentially, and the people who are in the organized townships may have some real worries about being involved. Do you have any thoughts about how we might deal with those kinds of problems? It could be another huge downloading of responsibilities to the adjacent municipalities.

**Mr Kidd:** They probably feel they have about as much say as we feel we've got in this proposal. With the larger municipalities being able to dictate what goes on there, they probably feel the same as Dymond feels: that they're not going to have any say or any input into the whole process.

**Mr Phillips:** I think I clearly understand it, and that is if a larger municipality near you wants to annex you, as long as they follow the regulations and as long as there's more than 50% of the total electors voting in favour of it, not only will they recommend it to the minister but the minister has to approve it. There isn't even ministerial discretion. So there is no doubt in this bill that a larger municipality can annex a smaller municipality, there is no appeal, and once that restructuring proposal goes forward it has to be done.

Furthermore, the minister has said, in terms of its being locally initiated, as long as one municipality requests a restructuring commission, the commission shall be appointed. So the thought of its being local initiative is nonsense; it's just if the larger municipality wants it, it shall be done.

My question really is, have I captured the essence of your understanding of the bill?

**Mr Kidd:** Yes, you have.

**The Chair:** Thank you, gentlemen, for coming forward to make your presentation to the committee today.

#### TIMMINS WOMEN TEACHERS' ASSOCIATION

**The Chair:** May I please have representatives from the Timmins Women Teachers' Association come forward.

Good afternoon. Welcome to the standing committee on general government.

**Ms Sherri Jones:** Bonjour and good afternoon.

**The Chair:** You will have half an hour today to make your presentation and you may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or response from the three caucuses. I'd appreciate it if, for the benefit of committee members and Hansard, you'd take some time at the beginning of your presentation to introduce yourself and your organization.

**Ms Jones:** Merci and thank you. I am here today as the president of the Timmins Women Teachers' Association. I represent 150 public elementary school teachers. With me here today are Mary Faris, President of the Cochrane, Iroquois Falls, Black River-Matheson Women Teachers' Association; Carol Heaslip, president of the Timiskaming Women Teachers' Association; her first vice-president, Barb Burkett; June Wallsten, president of Kirkland Lake Women Teachers' Association. Collectively we represent 350 women elementary school teachers in northeastern Ontario. We are part of the Federation of Women Teachers' Associations of Ontario, representing 41,000 women elementary school teachers across this province.

#### 1330

As a teacher living in a democratic society with an elected government and a Charter of Rights and Freedoms to protect us, one rather expects things to roll along rather smoothly, and for our elected members of provincial Parliament to debate issues and problems in the Legislature, for there to be a free press, and for people to have some say in how our future here in a democratic Ontario will unfold.

The word "democracy" means government by the people, promoting the interests of the people, persuaded of, and practising social equality. The reference to that definition is from a Canadian dictionary; you'll see it at the bottom of that page.

Although this government has indeed been elected by the people, it is neither promoting the interests of the people nor practising social equality. It is therefore shocking to realize that if it hadn't been for the actions of one MPP, Alvin Curling, who understood the intrinsic values of democratic principles and his determination to fight for democratic rights, we all would not be here today. It was appropriate that this government recant its decision not to hold these hearings. Historically, decisions are made in the Legislature, not in cabinet except perhaps in time of war.

We are not at war. We are in financial crisis. It is not necessary for the government to make arbitrary decisions to destroy the democratic process.

With the introduction of Bill 26, this government will move the decision-making power from the Legislature to the cabinet for many key issues. When debate occurs in the cabinet, it occurs behind closed doors.

**Pay Equity:** For many years the Federation of Women Teachers' Associations of Ontario and its local women teachers' associations have been fighting to achieve equality of pay for women in the workplace. In the last few years, we have made great strides in moving towards that equality.

Schedule J of the bill will end that march towards equality of pay by discontinuing the use of the proxy method of comparison, and as a result, vast numbers of women will be stuck in female-dominated workplaces doing valuable work for society and yet receiving the lowest salaries.

By attacking women and also the children who are often in the work these women do, this government is neither promoting the interests of women and children—who, by the way, gentlemen, collectively make up half of the population—nor is it practising social equality. By preventing these women's salaries to rise, the government will not benefit in any significant way, nor will the government pay off any significant portion of the deficit by continuing to oppress them. These women will be condemned to live at a subsistence level that is morally unjustified and economically unnecessary.

**User Fees:** It is necessary to examine two distinct methods of taxation which a government can use. First, there is progressive taxation, which taxes individuals who earn differing amounts of money at different rates. Thus a person earning \$15,000 would be taxed at, say, 8%, while someone who earn \$25,000 would be taxed at 20%. Anyone who earns more than this could be taxed at a rate of 35%.



A progressive tax is said to divide the burden of the cost of running a society or government more equally, because it allows those who are financially more well equipped to pay a larger share of the cost, and those people who do not earn large salaries consequently pay a much smaller share. The reason this is done is because it costs everyone relatively the same amount of money to feed, clothe and house their families at a basic level and if we overtax the poor, then we deny them the essentials of life.

The second method of taxation is regressive taxation. This method levels an equal amount of tax on each person no matter how much they earn. This tax benefits the rich because it does not dip very deeply into their wealth. However, it cripples the poor because for every extra dollar that is stripped out of their pockets for a service, there is one dollar less for the essential food, clothing and housing that is required for them as people to survive. We as teachers already see in our classrooms children whose basic needs are not being met. This government plans on cutting back on these basic needs even more.

The most insidious form of regressive taxation is the user fee. To quote from my federation's response to Bill 26: "User fees will hurt those who can least afford the services that our municipalities and other bodies provide. User fees are the most regressive form of taxation, since those who earn the least will pay proportionately the most for the same service. A user fee would be the same for a mother on welfare and for the president of a large corporation."

User fees will create a class system in Ontario like no one has ever seen before. The haves will be able to have their garbage picked up and to have their children go to the private-public libraries and to have a visit to the private-public parks and rinks and tennis courts.

It is the lack of these social experiences in life that will create an underclass of children. The lack of social experiences will impact negatively on their very education and will also limit their vision for a career as well as their future contributions to this society.

No government in the history of Ontario has ever decided to attack the poor people of Ontario the way this government is intending to do with its regressive taxation in the form of user fees.

This government says it is not raising taxes. However, it doesn't take much to figure out that the cuts in the provincial transfer of taxes to municipalities will have to be replaced by the more unequal user fees.

Why is this government choosing to attack those who are least able to pay?

But even more of an abomination to us is the threat to the very health and safety of our citizens. Essential services such as police and fire departments may be subject to user fees. What impact will this have on the poor?

What will happen to the one in four women and children who are victims of violence in an abusive situation? In times of economic stress we all know that violence increases. What will happen to those women and children? What will happen?

If you ask yourself whether you favour a progressive income tax which impacts fairly on every citizen's ability

to pay for a service versus the regressive tax of user fees which steals food and clothing from the poor, the answer is easy. It is common sense to protect the interests of all the members of society, whether rich or poor, to make sure that people are fed and clothed and housed as well as educated and trained. This is how a democratic, fair and equitable society functions.

Realizing the negative impact that user fees have on a society, we are in favour of a progressive income tax. We stand firmly against user fees which this government intends to introduce. These user fees will damage not only the fabric of society but the very wellbeing of its citizens.

1340

Environment: Northern Ontario is a somewhat fragile environment. There isn't a great deal of topsoil and the cold months of winter mean that very little natural recycling occurs here. We depend on mines for much of our economy and for our livelihood, but we also have to deal with its chemical poisons and wasted lands that mines generate. We are therefore angry that this government, by instituting some of the sections of schedule O, is condemning northern communities, such as Timmins, to hazardous, unhealthy living conditions.

This community knows first hand what can happen when mines are allowed to self-regulate their closing operations. After ERG Corp leased part of the old McIntyre Park to process the tailings, the company went bankrupt and was unable to clean up. We now have a huge hole in the middle of the city. It is hazardous and unsightly. It will cost the citizens of Timmins thousands of dollars to rectify the situation.

This is the kind of scenario which will be repeated over and over again if we allow mines to self-regulate because private companies are motivated by profit rather than by environmental concerns. We need the mines and they need us.

However: "Measures needed to ensure the protection of the environment must not be frittered away to appease corporations into doing business and ruining Ontario. All of us deserve a healthy place to live and work and raise our children. Our environment is worth protecting."

Equality is served by guaranteeing a clean, healthy environment for everyone in Ontario.

Municipal boundaries: Schedule M of Bill 26 allows for amendments to the Municipal Act and existing statutes to allow for easier amalgamation, separation and annexation of municipalities. It is frightening to think what can ultimately result in fewer services and higher service costs can be done without much consultation. The arbitrary nature of the proposed amendments will also allow manipulation of municipal boundaries for other purposes. This is known as gerrymandering.

Section 8 of schedule M is very disturbing to teachers because it "does not exclude school boards from the list of boards that can be dissolved or fundamentally changed, thereby allowing a school board to be taken over by a municipal council or to be dramatically altered in form and function. The amalgamation of school boards is currently under discussion and FWTAO responded to the report of the Ontario School Board Reduction Task Force with great caution.



"While the amalgamation of school boards may make sense in particular areas, this needs to be a local decision with the input of all parties involved. FWTAO is concerned that the provision in Bill 26 presents a dramatic departure from the options that are currently under discussion. Will it allow changes to education governance to be implemented without full consultation? The government has stated that it will exempt school boards from this section by regulation. If it is not the intent to have school boards be part of this section, they should be explicitly exempted in the legislation and not left to regulations which don't exist yet and can be more easily changed in the future.

"Will the ability to alter municipal boundaries open up the potential for gerrymandering? Will boundaries be altered prior to election time in order to ensure certain results? Let us not import this tradition from the United States.

"What impact will a change in municipal boundaries have on property taxes? Will people suddenly find themselves paying higher taxes or higher user fees simply because of a change in municipal boundaries?"

What does the ability to conduct the business of government in such a way say about democracy and the right to equality in this province?

Restricting arbitration: Under law, Canadians have the right to negotiate contracts. As part of the process, a neutral arbitrator can be appointed to assist in these negotiations. Schedule Q wipes out the freedom and independence of the arbitrator. Negotiators must now view settlements through the eyes of the provincial government. By destroying this neutrality, workers are put at an extreme disadvantage.

Such action isn't democratic, equal or just.

Freedom of Information: Schedule K would make it possible for the government to give personal information to others and yet at the same time prevent individuals from obtaining personal information on the basis that the request is frivolous or vexatious. This means that individuals within the government will have so much power that they can make decisions arbitrarily. The government will be able to make it difficult for individuals to obtain information through charging fees or ultimately refusing access to the information. Insurance companies would be allowed to obtain personal information about individuals and they could refuse life insurance. Future employers could use personal information to discriminate against people with health problems.

The conclusion: Bill 26, if passed, will change our province fundamentally, to our detriment. Power corrupts. Bill 26 is an example of absolute power corrupting absolutely. This government made certain promises before it was elected that it has not kept. Since this government has come to power it has already managed to try to erode our democratic rights and freedoms. Members of this government are attempting to destroy our social safety net. With Bill 26, they may succeed.

This government was elected because the people of Ontario wanted a government to wipe out the deficit. Little did they realize that this government might destroy the whole fabric of our society. What good will being debt-free do for a society which lacks basic rights and freedoms?

We recommend that Bill 26 be scrapped. We recommend that the people of Ontario have input on the payment of the deficit. We recommend that freedom of information never be changed. We recommend that the public have input into statutes which are changed. Thank you. Merci.

**Mr Young:** I want to start with the families of Ontario, many of whom are working poor, many of whom are middle-class people who can't save any money, no matter how hard they try. They haven't had a real pay increase in seven years. We are with Bill 26 trying to restructure Ontario so that the cost of administering government goes down so people have more money in their hands.

There's certainly a dynamic tension with regard to education between what the taxpayers pay towards education and the cost of education. We're looking to cut costs. We have 168 school boards—there are probably going to be a lot less when we're finished restructuring the school system etc—and in many boards, if not most, over 70% of the cost of education is teachers' salaries and benefits. Teachers are, I believe, in the top 7% of our society for salary and benefits, for job security, for vacations, and they have the second-largest pension fund in Canada. I wonder if you could help us find the savings, because we're spending \$9 billion a year more than we're taking in. Can you make suggestions to us about where we can find savings to balance our books in this province?

**Ms Jones:** You have to talk to the people, listen to the people and do what the people suggest. One of the things I'm suggesting is that you use the progressive taxation system so that it hits people who have the money. Banks, I heard, had a 17% profit margin. Laidlaw, I heard, had a 31% profit margin. These people are making huge amounts of money. A CEO for a bank gets \$1 million, \$2 million, \$3 million, \$4 million a year. This is a great deal of money. You need to tax the people who have the money.

1350

**Mr Young:** But let me point out something to you. The seven big banks in Canada made \$5 billion in profit last year. The federal government still has approximately a \$30-billion deficit and we have a \$9-billion deficit, and even if you took all their profits, which is impossible, illegal and would be wrong, you wouldn't come anywhere near balancing the books. So where can we get the money? We have to cut costs. It's not easy, but we have to do it. Are the teachers willing to give?

**Ms Jones:** We realize that you have to cut costs. Teachers have had their salaries frozen for three years now. We haven't had a cent increase.

**Mr Young:** With everyone else in the social contract, yes. Are teachers willing to be part of the ongoing solution, I guess is my question. Why can't you ask arbitrators to look at affordability when regular working people haven't had a raise in seven years and teachers are at the top end of the pay and benefits package? Doesn't that make sense?

**Ms Jones:** Because you're stacking the cards on the side of the government when you do that.

**Mr Young:** It's not the government; it's the people who pay taxes, who pay for the education system.



**Ms Jones:** The government ultimately does the collecting of the taxes. You have to face the reality that children are the greatest resource this province has.

*Applause.*

**Mr Young:** I totally agree. I applaud that also.

**Ms Jones:** You have to realize that those in the teaching profession spend 30 years educating themselves. I myself am undertaking two courses in computers to upgrade. Teachers are constantly upgrading. They are truly valuable.

**Mr Phillips:** Thank you for your presentation. Let's recognize what this bill is all about. It is designed to allow them to do their Common Sense Revolution, and an absolute cornerstone of the Common Sense Revolution is a huge tax break. They say, "We've got to get this deficit under control," and it's true, but if you look in the Common Sense Revolution, here's how they get it under control. They are going to cut spending, they said in the election, by \$6 billion, but they've now taken it up to \$8 billion, so they're going to cut spending by \$8 billion. Then what are they going to do? What it says here, the direct fiscal implication of the Common Sense Revolution, is that \$5 billion of it goes to a tax break. The more you make, the bigger the break. If you make \$150,000 in this province, you're going to get a \$5,000-a-year tax break. They say this is all about fighting the deficit, but a majority of the cuts go directly into a tax break, and as for the tax break, the more you make, the more the break.

I thought your brief did a good job of pointing out who's going to pay for the tax break, and it is through user fees. I quote what the Minister of Municipal Affairs said, and I personally found it objectionable. He said: "I was encouraged to hear that one of the mayors plans to seek corporate donors to sponsor such activities as library use, ice skating and swimming in public pools for underprivileged children. Statements like this convince me our trust is not misplaced."

Clearly, this is where this group wants to take Ontario: a tax break where the more you make, the bigger the break. And how are we going to fund it? By denying young people an opportunity to use a library and to use recreation facilities unless they can find a corporate donor. So here in Timmins, presumably, somebody's going to have to run around and knock on doors of corporations and say, "Please help young people to use a library." It is a fundamental shift in Ontario. They like it; we don't.

I ask you, as someone who deals every day with young people, what kind of future are we casting for our young people when this is the direction the government wants to head—a huge tax break the more you make? By the way, I'll also add that they think many of your teachers are going to support this tax break. They think many of your teachers will because we're dividing this Ontario up into Common Sense Revolution winners and losers.

**Ms Jones:** This province is loaded with teachers who will stand and tell you, man for man, woman for woman, that children are important to us. They will tell you that the kids who are kicked out of their homes in Toronto—and I just read this weekend that it's happening, that there's an increase of over 17% of people who are losing

their accommodation and being thrown out on to the streets. One child of a two-children family is being put with an aunt and one child is being put with a friend. What kind of future do we offer our children? Teachers would stand together and say that children are the most important resource we have. You have to protect them and you have to give them the kinds of things that give them the social experiences which will build their self esteem, because if you don't have self esteem, gentlemen, you have nothing. You've got to believe in yourself in order to create the person you will be.

**Mr Silipo:** Ms Jones, thank you very much for your presentation. As you pointed out and as has been discussed here, the regressive nature of what the government is doing, both through the shift from provincial taxes to user fees and various other measures, really shows the true face of what this government is all about. Probably no phrase better sums it up than what you said towards the end of your presentation when you said the government was elected to wipe out the deficit, not to destroy the whole fabric of our society. While many people supported the Tories in the last election, the sense I've had and that many people have had is that they were elected on the basis of certain things they said and did during the election, and were they to have put the issues in Bill 26 in front of the electorate, people might have reacted differently.

I appreciate very much your being here and the continuing work you and the other federations are continuing to do to highlight how all this is affecting the poorest among our citizens, including many children, as you pointed out.

**Ms Jones:** We feel betrayed, quite honestly. But we're here, and this is good. We have this hearing. Everyone can make a mistake. What I want you to do to this bill, with all the information you've gathered from all these reports, is to take it back and talk with the other MPPs, please. Listen to the people of Ontario. You've never had hearings like this before that I can remember, where the people are mad, where there are people behind me who aren't even going to get a chance to sit here and talk to you because there are too many of them. You're not meeting tonight, there's not an open forum tonight, yet there are 10 or 20 more groups that would present to you. Please take it back, and please listen and please act on our suggestions. You are our government. Make a good job of whatever you do.

**Mr Bisson:** I listened intently as Mr Young questioned you, and I took from his tone that what he was trying to get at is that teachers are doing all right and they maybe aren't doing as much as they should to deal with things. I wouldn't want to put words in the mouth, but it almost sounded to me as if he was attacking teachers for not being part of the solution. How would you respond to something like that?

**Ms Jones:** We are a part of the solution right now. Our salary has been frozen for three years. We've had all kinds of cuts at the board level, at the school level. We have less paper, we have less pencils. You need to know that. We are doing our share.

**The Chair:** Thank you very much for coming forward and giving your presentation to the committee.



1400

TOWNSHIP OF BLACK RIVER-MATHESON  
CITY OF TIMMINS

**The Chair:** Could I please have representatives from the township of Black River-Matheson come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions. I'd appreciate it if you'd both introduce yourselves for the benefit of Hansard and committee members.

**Ms Pierrette Blok:** Yes, I will, and I don't think it's going to take me half an hour to tell you what I have to say.

Members of the committee, ladies and gentleman, my name is Pierrette Blok, and I'm the reeve of the township of Black River-Matheson and a very strong advocate for the northeastern Ontario municipalities, especially my own. I would like to thank all of you for coming to the north to listen to our concerns before Bill 26 becomes law, which, under schedules M and Q, will have the most significant impact on the municipalities of this province.

However important this bill is, we must remember the context in which this legislation was introduced. For municipal governments, that context is lost revenue of \$700 million announced in the government's recent fiscal and economic statement. This substantial loss of revenue did not come as a surprise. For example, we in Black River-Matheson suffered a 7.8% loss, which translates into over \$153,000, not very much for the people of Toronto, Kingston, Windsor, Ottawa, even Timmins, but to a population of 3,300 residents and a low tax base, it is quite a substantial amount.

When I read Metro Toronto complaining about how little the north has been cut as compared to the south, I can't but get frustrated and angry when you see and know where the bulk of our northern Ontario natural resources flow to.

Municipalities are a responsible political body, whereas we have always managed without deficits and accountable for how much gets spent and on what. There are almost 150 pieces of provincial legislation that have a direct impact on municipal operations. This government has committed to reforming legislation and we are encouraged by it, but let us not lose sight that Bill 26 is not without glitches, and amendments will have to be seriously considered before the passage of the said bill.

As partners in government, municipalities are in the best position to determine the tools we need to manage more effectively and more efficiently. Having said this, let us take a look at restructuring.

Restructuring in the municipal sector will be a major step forward for municipal government in Ontario. The proposed amendments to the Municipal Act point to a locally driven process where municipalities come forward with locally endorsed proposals to streamline the organization and operations of municipal government. The diversity of communities across Ontario calls for locally driven solutions to structural reform. Municipalities are prepared to provide a better, more effective and

less costly government. I therefore suggest that the intentions be clearer with an addition to section 25.3 of the act indicating that the minister will establish a commission for the development and implementation of a restructuring proposal only at the request of a municipality.

I also recognize that not every municipality is willing to embrace change. Currently, the amendments suggest that the minister will have the power to impose restructuring on municipal governments. I do not believe that that is in anyone's best interests, including the citizens most affected. I would recommend very strongly that the wording of section 25.3 be changed to reflect the government's commitment to locally driven and locally initiated restructuring.

Another point I would like to bring forth is the Ontario municipal support grants. The issue of responsible management leads us to the Ontario Municipal Support Grants Act. Autonomy for expenditures funded under the act is substantial. I believe that that is the intent of the legislation. Block funding, by definition, should come with no strings attached.

Section 3 of the act provides for regulations that can be used to create strings. We recognize that the province has a responsibility to set and monitor provincial standards, and to monitor the performance of its transfer payment partners.

As more municipal funding is collapsed into municipal support grants in the future, there may be an inclination to restrict local decisions on how this money is spent. That would contravene the intent of this legislation as we understand it.

I would also ask the committee to recommend that the Ontario municipal support grants legislation clearly establish the autonomy of municipalities to manage funding in a manner that is consistent with local needs and priorities, mindful of clearly defined provincial interests.

Before I go on to schedule Q, I have a request that I would like to make to this committee to bring back to our government. We in northern Ontario have enjoyed over the years what they call the northern support grant and the equalization resource grant. It has now been collapsed into the block funding. Our fear is that next year, the year after, the northern support grant and the equalization resource grant will disappear. Why? Because it's been collapsed into the Ontario support grant; that is, the block funding. I would ask this committee to bring back to your government that the northern support grant be a stand-alone grant to the northern communities of this province.

In 1973, before the unconditional grants became law, it was a standalone grant. When the unconditional grant came along and they restructured the grants for the municipalities, the northern support grant and equalization grant were folded in. But we always had knowledge as to how much we were getting from these grants. With this new block funding, it will disappear. We'd recommend to the committee that this be a point that is brought to at least our two MPPs from the north, Mr Eves and our Premier, Mr Harris. Thank you. I go on.

On schedule Q, I would urge the committee to revisit the following five points of the municipalities' ability-to-pay provision:

(1) That the property taxes will not be raised as a result of arbitration awards. In other words, that the



arbitrators consider a municipality's ability to pay when the awards are made. In Black River-Matheson, we do not have a local police force, but my neighbour municipalities do have and there are some arbitration costs that have been awarded and been very substantial and very hard to pay for some municipalities. It has just about created a dilemma for some of these municipalities. I would hope that our government would look at this very positively.

(2) That private sector comparisons are appropriate. To explain this point a little bit better, that an amendment respecting wage comparisons be expanded to include comparisons to similar jobs in the private sector rather than in the broader public sector alone.

(3) That management retains the right to attract and retain qualified employees as it sees fit. To explain this point is that the employer's ability to attract and retain qualified employees replace the reference to an employer's need for qualified employees.

(4) That negotiated wage settlements in a municipality provide a ceiling for future awards. And the last one,

(5) That the cabinet retains the right to alter and prescribe criteria for consideration and the issues which may or may not be sent to arbitration. In other words, compensation awards through arbitration that give no consideration to our ability to pay are no longer acceptable.

1410

This presentation I am making here at the present time is probably much of the same you will hear or have heard already throughout the province. There is no doubt in my mind that after four weeks of public hearings your findings will direct you to amendments of Bill 26 which will give our government a document to ensure that municipalities are partners in government and have the tools we need to manage in the face of substantial funding cuts. Ladies and gentlemen, thank you very much.

**Mr Victor Power:** Mr Chairman, my name is Vic Power. I'm the mayor of the city of Timmins.

Mr Chairman and members of the provincial Parliament, I wish to thank the members of the standing committee for coming to Timmins to hold this very important hearing on Bill 26. During your short stay here, I'm certain that you have noticed that Timmins is the biggest, the best and the warmest city in Canada.

As you are well aware, the president of the Association of Municipalities of Ontario, Mr Terry Mundell, submitted a brief on behalf of AMO on December 18, 1995. Many of the concerns that municipalities have were, of course, addressed in Mr Mundell's submission. This afternoon I would like to focus very briefly on just three aspects of this legislation.

The first of these matters concerns the authority granted to police services boards. At the annual meeting of AMO in August of this year, I presented a resolution on behalf of the city of Timmins requesting that the government make certain that a majority of members on a police services board be elected officials from the municipality. Only in this way can those who are responsible to the taxpayers have control over police budgets. As you are aware, this resolution was overwhelmingly adopted by AMO, and I trust that full consideration will

be given to this request by this standing committee and by cabinet.

Down through the years it has been my opinion that arbitrators have consistently made rulings that affected municipalities adversely. Now, as we enter an era of sharply reduced provincial grants, compensation awards through arbitration that give no consideration to our ability to pay are no longer acceptable. I trust that you will keep this mind as you review schedule Q.

Much has been said about block funding. The theory behind block funding is sound. However, no one should forget that for many different reasons related to climate, topography, terrain, industry and assessment, northern municipalities were provided with what became known as the northern support grant, which was essential to providing a high level of service in our community. This was not a gift but rather a recognition by Premier Davis that something had to be done, because of the many reasons cited above and also in lieu of the situation with respect to taxation of the mining industry and mining revenue payments. In my opinion, that portion of the unconditional grants which represents the northern support grant should be untouchable and in no way affected by across-the-board reductions.

It is an understatement to say that your committee will have much to ponder during the next few days prior to passage of Bill 26. On behalf of the city of Timmins, I wish to thank you for your careful consideration of this brief and all other matters. We look forward to solutions that will be realistic in terms of making it possible for municipalities to provide a high level of service and at the same time be fiscally responsible. In short, we must put price and pride together. Thank you, Mr Chairman.

**Mr Gerretsen:** Have you read the direct taxation provisions in schedule M, Mayor Power? Are you familiar with them?

**Mr Power:** I don't have them right in front of me.

**Mr Gerretsen:** But basically they provide that you can have more taxation powers and powers to impose licences and fees, and as I say, because the tradeoff was that you weren't getting as much in support grants from the provincial government. Is this not a power that you need in order to effectively provide services, a greater taxation power?

**Mr Power:** It might be, Mr Gerretsen, but if you're talking about poll taxes, we don't want them.

**Mr Gerretsen:** How about a gas tax?

**Mr Power:** No, that wouldn't work. To give you an example, if we had a gasoline tax in Timmins and Iroquois Falls or Matheson didn't have one, naturally they would have the edge.

**Mr Gerretsen:** But don't you feel that municipalities should have that power in order to effectively deal with it? Some municipalities may use it and others may not.

**Mr Power:** I think if you're talking about gasoline taxes, you're touching a raw nerve, because gasoline prices are way too high in northern Ontario now. Our feeling has always been that if the price of beer can be the same across the province, the price of gas should be the same across the province.

**Mr Gerretsen:** Okay, what about a sales tax?

**Mr Power:** No. A sales tax, again I don't think we could handle that. I think it's tough enough on small



business now. I think it would be a backward step to impose sales taxes.

**Mr Gerretsen:** How about a tax on the mines?

**Mr Power:** Okay, here's the story on mining. There is no way that we can assess the underground workings, and frankly, more and more of the installations are being taken underground. We can, of course, assess and do the aboveground workings. So if we cannot tax the underground workings, that should be reflected in what used to be known as the mining revenue payment and then later the northern support grant.

That's why you'll notice I mentioned, Mr Gerretsen, that the northern support grant or that portion of the unconditional grant known as northern support, should be untouchable, because this was given to us—I shouldn't say "given." That's not quite the right word. But it was assigned to us by Mr Davis years ago. He had good reason for it. It was a good move, and if ain't broke, don't fix it.

**Mr Gerretsen:** Mr Phillips has a question, but it's great to be back in Timmins. I can recall some tremendous Federation of Northern Ontario Municipalities conferences in the past that were hosted by you.

**Mr Phillips:** Give that speech later, not on my time.

**Mr Power:** Good to have you back in Timmins.

**Mr Phillips:** I appreciate the gas tax one. I might add that a lot of municipalities in southern Ontario seem to want to do it and they will do it. That may put you at a competitive advantage.

On the restructuring one, what the minister has said on restructuring is this—because I think there is at least a threat to some municipalities they could get annexed, not wanting to be involved at all, have no interest in it. The minister has said that he will introduce amendments so it's locally requested, that commission.

But the local request can be in one of two forms. It can be the commission will be appointed if one of the affected municipalities requests it or if there's a petition from residents. Then once the commission is rolling, those things will be implemented. I'm just saying that "locally initiated" means the one that wants to do the amalgamation can simply request it, and then it happens, and then the results of that commission will be implemented. There's no appeal, there's no more debate. It's all over. Is that what I understand you're supporting?

**Mr Power:** Mr Phillips, were you directing your question to me or to Reeve Blok?

**Mr Phillips:** Perhaps the reeve.

**Mr Power:** Because as far as Timmins is concerned, we've already gone through consolidation. On January 1, 1973, we became the largest municipality in Canada. We included four formerly organized townships and 31 unorganized townships. So there's nothing left for us to annex unless we want North Bay.

**Ms Blok:** I hope they bypass Black River-Matheson.

Yes, this is the way I understand it, Mr Phillips, and I am very concerned about this. The reason why is this, and I'm going to give you an example. Let's say that you have a group of municipalities here which want to amalgamate, and you have one within that group that does not want to amalgamate. Where does the commission fit in there? We don't want to amalgamate, but since

everybody's in favour of it, there's more for than against, what I understand is that the commission would have the power to go ahead and amalgamate them anyway. That's what my interpretation of it is.

**Mr Phillips:** Yes.

**Ms Blok:** And I don't want that.

**Mr Bisson:** Thank you very much, Mayor Vic and Pierrette. It's always entertaining and a pleasure whenever we have to deal together. I've got to say to members of the committee here, you have two mayors that—and I'm not saying that to butter them up, because they're not even in the same party as me, for God's sake. The point is that we've worked very well together over the past years. They are responsible municipalities that are trying to do their jobs and live within the limited budgets that they have, so maybe we should listen to them.

1420

Pierrette, first of all, how do you feel about having a funding system named after you—block funding?

**Ms Blok:** I just love it. I wish they would take the "c" out.

**Mr Bisson:** I'm just wondering, do you get more money for this or what?

**Ms Blok:** No, I don't, unfortunately. But if they took the "c" out, I would love it. Then, if they used my name, I'd get after them.

**Mr Bisson:** Let me get to the point, because you're the smaller of the two communities here within Cochrane South, between Timmins and Black River-Matheson. I just want to go through this annexation process, because it disturbs me as well.

Let's say that some other individual takes over from Mayor Vic, because we know Mayor Vic would never want to do anything to annex the municipality of Black River-Matheson. But let's say someone else does. The process, as established under the act, is that Mayor Vic would go to the minister and the minister would, under this act, appoint a commission that could be made up of just one person, because that's the way the act is read, for the sole purpose "to facilitate the municipal restructuring of a significant nature which may include"—and I'm reading from the act, the purpose here—"elimination of a level of municipal government, transfer of municipal powers and responsibilities and changes to municipal representation systems."

In your presentation you talked about you were in favour of this as long as it's locally driven. Nowhere in this act does it say that you, as the smaller municipality compared to Timmins, would have the ability to oppose that. Let's say that your municipal council was to try to block this and was to succeed in trying to use this act. Here's the kicker, on page 136: "The members who vote in favour of the act which contravenes the regulation are personally liable for the amount of the adverse financial effect which may be recovered by an action brought by a municipal elector...." In other words, if you're successful in trying to turn this act around to protect your smaller municipality, the money that would have been saved by Timmins amalgamating you, you have to pay for. What do you say to that? Do you have the money to pay that?



**Ms Blok:** First of all, I hope they never have the intention of trying to annex us, but the smaller municipalities do not have the money to pay for such an annexation. It would be an impossibility for any smaller municipality. You're talking here of Black River-Matheson. You know that within northeastern and northwestern Ontario there are municipalities a lot smaller than Black River-Matheson, and these people would not be able to pay. It would create a hardship, a very hard burden on this particular issue, and we don't want that. I know that the act provides for this, but I'm sure that they will look at some amendments. I'm positive that they're going to—

**Mr Len Wood:** We haven't seen any amendments yet.

**Mr Bisson:** I don't want to put words in your mouth, but I want to ask you, because this is an important point: You're not opposed, either one of you, to the question of amalgamation, but what you're asking for is that you, the smaller municipality, have some ability to stop the move by a larger municipality to take you over unilaterally.

**Ms Blok:** Exactly. That's exactly what we're saying. But I have a question to ask on mining which really disturbs me. I'm also the president of the Association of Mining Municipalities of Ontario. Would this new direct grant—and perhaps some of you people could answer this—give municipalities the authority to assess buildings underground?

**The Chair:** We'll let that question stand. I have a minute left for Mr Bisson.

**Mr Bisson:** That was coming to my second part. Mayor Power and yourself expressed discussion around the question of taxation. What the bill provides for you to do is to implement a direct tax, which means to say that if you were to decide to implement a direct tax on the mines, let's say, up around American Barrick or the one next to it, Harker-Holloway, you would be able to do so under this act. It's not a question of municipal assessment; it's a question of being able to put a direct tax on that corporation, or a resource corporation of any type, under the power of this act. Yes, you have the ability to do it.

**Mr Power:** Does that include underground workings?

**Mr Bisson:** No, no, it's not an assessment. I'll let them respond to this directly. It is in the form of a direct tax. It gives the municipality the ability to put a direct tax, which is, you can put a head tax of some type or sort of a sales tax or gross revenue tax on that employer.

**Mr Sampson:** Thank you, Madam Reeve and Mayor, for your presentation and, Madame Reeve, for sharing your time with the mayor. I gather that was something that was put together just recently.

**Ms Blok:** We do that all the time in northern Ontario.

**Mr Bisson:** A friendly word: Don't tangle with her.

**Mr Sampson:** Well, I was going to make two comments. I can tell you, one of the things that probably will not be one of the amendments coming forward is to take the letter "c" out of the word "block."

**Ms Blok:** Darn it.

**Mr Sampson:** I was secondly going to ask you whether you're related to someone by the name of McCallion in Mississauga?

**Ms Blok:** No, but I know her very well.

**Mr Sampson:** I want to pick up on your discussion, Madam Reeve, on page 3 with regard to the restructuring

suggestions. You say you want it to be locally driven, a locally initiated restructuring. I think in response to the question from my colleague across the floor, you indicated that—I think what you're really after, if I can paraphrase you, is a local veto. Is that correct?

**Ms Blok:** I don't understand your question.

**Mr Sampson:** If I understood the questioning beforehand that was put to you, do you want to be able to say yes or no to restructuring proposals—

**Ms Blok:** That's right. But the act doesn't give us that.

**Mr Sampson:** Right. Let me just ask you then, how does one democratize this restructuring process, in your view, if there is a dissenting municipality or a dissenting area or a dissenting group of people? Is it your view that they should effectively have a veto then over what the restructuring proposal is, almost regardless of what their size is?

**Ms Blok:** Yes. If it's working for them, why should they amalgamate, regardless of the size?

**Mr Sampson:** Okay.

**Mr Gerretsen:** Have you got an answer for that, Rob?

**Mr Sampson:** No, I don't. I'm asking her whether or not that's what she's proposing. Indeed, she's a proposing there will be a veto for municipalities regardless of their size. That's fine.

**Ms Blok:** It's amended? Thank you, Mr Sampson. You're a great guy.

**Mr Sampson:** I didn't buy your "c" one; I don't know why I would have bought that one either.

The issue about the block funding separation, is that just to ensure that the dollar amount remains constant, remains untouched? Is that the fundamental issue here?

**Ms Blok:** The northern support grant and the equalization resource grant?

**Mr Sampson:** Right. You want to know that the dollar is a dollar—

**Ms Blok:** We want to know what that dollar is and what it means to northern Ontario municipalities, yes.

**Mr Sampson:** Just so that you know it's a dollar today, it's a dollar tomorrow and it's a dollar for the rest of eternity etc.

**Ms Blok:** That's right.

**Mr Sampson:** My colleague here has a question he wants to pose on interest arbitration.

**Mr Tascona:** Thanks very much. I noted your comments on the interest arbitration, and it would appear that what you're looking for is a strengthening of the provisions that we put forth with respect to the fiscal realities of the day. I'm interested in Mayor Power's comments with respect to this subject. You said that in your experience they've consistently made rulings that affected municipalities adversely and you feel that it's no longer acceptable. I'd just like you to share that experience as best you can.

**Mr Power:** I'll give you one example, Mr Tascona. I remember one arbitrator putting on his coat as he was leaving for the airport and, the city being one side, he said to the other side: "Now, what did you say you would accept as a final award? Did you say 6.8 or 8.6?" Of course, the fellow said 8.6, and that's where it came in. I'm just saying there have been times when the arbitrators have not been very sympathetic towards the municipal



taxpayers. If we're going to try to keep the municipal tax rate increases down to zero, we can't do it if we have our arms tied behind our backs.

**Mr Tascona:** What groups are subject to interest arbitration?

**Mr Power:** The police and fire mainly, and then of course we also have arbitration through the senior citizens' home, Golden Manor.

**The Chair:** I apologize, but we've come to the end of the time. I'd like to thank you both for coming forward today and making your presentations to the committee.

**Mr Power:** Thank you, Mr Chairman, and again thank all of you for coming to Timmins.

1430

**The Chair:** May I please have the representative from the Timmins Chamber of Commerce.

**Mr Phillips:** You didn't get an answer to your question on the Mining Act.

**Ms Blok:** That's right. You didn't give me a chance to get an answer.

**The Chair:** Each presenter gets half an hour. You may want to discuss this with a member in the hall.

**Ms Blok:** Just—

**The Chair:** No, I'm sorry, ma'am, we only have half an hour. You may want to discuss that outside. We have another presenter coming in. Each gets equal time.

**Mr Bisson:** On a point of privilege, Mr Chairman: I request unanimous consent to get the answer for Pierrette Blok. I'm allowed to ask. I'm asking for unanimous consent.

**The Chair:** Under the standing orders, members aren't under any obligation to answer those types of questions at committee.

**Mr Bisson:** I'm asking for unanimous consent to get the question responded to. Yes or no. Put the question.

**The Chair:** Do members want to give unanimous consent to that motion? I don't see unanimous consent. The motion is lost.

**Mr Bisson:** So the government doesn't want to give the answer. Okay.

#### TIMMINS CHAMBER OF COMMERCE

**Mr John Bragagnolo:** Good afternoon, members of the committee. My name is John Bragagnolo and I'm the president of the Timmins Chamber of Commerce. I would like to welcome you to our city of Timmins. Second, I would like to thank you for allowing the Timmins Chamber of Commerce an opportunity to make presentation before you this afternoon.

The Timmins chamber represents 470 small, medium and large businesses within the municipality, with a total voting membership of 655. Our mission statement is: "The Timmins Chamber of Commerce is a non-profit volunteer organization which represents a wide range of business and community interests. We are committed to our community and we will encourage its growth by promoting business opportunities." We have always been proactive in voicing our members' concerns with respect to local, provincial and federal government policy, while actively addressing educational, civic, social and economic issues.

I am pleased to make presentation before this committee today on behalf of the Timmins Chamber of Commerce on Bill 26, the Savings and Restructuring Act. My intention is to give you a brief overview of the position of the Timmins Chamber of Commerce regarding the government's omnibus legislation and allow time afterwards for questions from committee members. I will first discuss the need for fiscal stability and government restructuring, and then I will focus on the proposed changes to the various acts which will have the most impact on our members.

The need for fiscal stability and government restructuring: During the past decade, government has allowed its debt to triple, putting it close to the \$100-billion barrier, while at the same time we have seen personal income tax rates increase so many times that Ontario rates are among the highest in North America. One of the most compelling statistics that has been thrown around of late and causes great concern to our members is that the government spends \$1 million an hour more than it receives in revenue.

When one reviews the statistics, it becomes very clear that government restructuring is completely necessary and long overdue. It is imperative for the Ontario government to take strong measures to reduce spending and get its financial house in order. The Timmins Chamber of Commerce supports the purpose of Bill 26, which is to achieve fiscal savings and promote economic prosperity through public sector restructuring and streamlining. The government must get to a point where the 3E rule shall be applied: Government must become effective, efficient and economical.

The Timmins Chamber of Commerce believes the role of government in today's economy is to create a climate which will encourage people to go into business, help business grow, and attract new investments and jobs.

In the past, government has attempted to be all things to all people. It becomes very apparent when you see the government's financial fiasco that the government can no longer afford this.

Restructuring government and restoring confidence in the financial strength of Ontario is essential to the future of our provincial economy. The concept of massive restructuring and cost-cutting is one our members have been very familiar with over the past decade. Many of our members have had to restructure their operations to remain competitive in an increasingly difficult marketplace. Those who have adjusted have successfully emerged from the recession of the 1990s; those who haven't adjusted are no longer with us.

The Timmins Chamber of Commerce believes the provincial government must also adjust to the changing times and demands which are being placed upon it by today's modern society. The government must realize that we cannot afford to continue running deficits up to \$10 billion without seriously jeopardizing the economic future of my generation, our children's generation and generations to come.

We support Bill 26 because it provides the mechanism for the provincial government and municipalities to commence this restructuring effort, improve the financial strength of the province, and to send a strong message



that Ontario wants to work with the private sector to create jobs and foster economic growth.

Since Bill 26 is very broad and proposes amendments to many pieces of legislation affecting our members, I will focus on the proposed changes to the various acts which will have the most impact on our membership.

(1) The proposed amendments to the Corporations Tax Act: The mining industry plays a vital role in the success of our local economy in Timmins. One recent expansion, namely, the Dome \$140-million open pit expansion, is a prime example of the bright future that mining will play in the growth of our community. I am pleased to say there are many other projects, like the Kinross development, the development that Royal Oak has just announced of a \$3-million open pit project, but it is estimated that this Dome project alone will create \$1 billion to our local economy in the next 10 years. The expansion of our local mining economy has occurred in spite of the many obstacles, bureaucracy and government overregulation of that industry.

The Timmins Chamber of Commerce strongly supports the proposed changes contained in schedule B of Bill 26 to the Corporations Tax Act concerning the mining reclamation trust tax credit. This action alone will free up millions of dollars for our local mining companies, which will allow for further expansion of the mining industry in Timmins.

Furthermore, the Timmins Chamber of Commerce supports the creation of the Ontario innovation tax credit for small and medium-sized Canadian-controlled private corporations having permanent establishments in Ontario in respect of scientific research and experimental development in Ontario.

We believe providing incentives for business is a positive role the government can play to encourage the private sector to invest in the province. The proposed amendments to the Corporations Tax Act will assist these sectors to create jobs and contribute to the overall provincial economy.

(2) The proposed changes to the Municipal Act and various other statutes related to municipalities: Schedule M of Bill 26 contains amendments to the Ontario Municipal Act and various other statutes related to municipalities, conservation authorities and transportation. I would like to focus on two specific amendments proposed in the legislation, namely, the proposal to give municipalities and local boards broad new powers to impose fees or charges for any services or activities they provide, and the addition of a new part in the Municipal Act that establishes new general licensing powers to municipalities.

While we support the goal of restructuring and the introduction of fees for service, the Timmins Chamber of Commerce, along with the Ontario Chamber of Commerce, is very concerned about the broad powers Bill 26 gives to municipalities to impose fees or charges for any service or activities provided by them. While the bill gives the Minister of Municipal Affairs the power to make regulations limiting or imposing conditions on the imposition of fees or charges levied by municipalities, we believe greater definition should be given to the types of fees or charges which may be permitted under this

amended section. Specifically, subsection 220.1(3) provides that a municipality may by bylaw impose "fees or charges that are in the nature of a direct tax for the purpose of raising revenue."

1440

The Timmins Chamber of Commerce is concerned this proposed amendment will lead to municipalities imposing fees which do not correspond to the value of the service being provided. Furthermore, we are concerned that fees may be imposed on businesses for the sole purpose of raising municipal revenues and not specifically related to any activity or service provided by that municipal government. This may have a serious impact on the ability of business to create jobs and growth throughout our municipality, as well as the province. We believe this proposed amendment should be improved to limit municipalities to charging fees on a value-for-money basis and not for the sole purpose of raising revenue.

We are also concerned about subsection 220.1(9), which denies people the opportunity to appeal to the Ontario Municipal Board for the imposed fees or charges levied by a municipality or a local board under the act on the grounds that the fees or charges are unfair or unjust. We believe that the government should provide some flexibility in the legislation for people who may have extenuating circumstances and permit at the very least the opportunity for some sort of appeal.

Furthermore, the chamber of commerce is concerned about part XVII.1, a new part added to the Municipal Act giving municipalities general licensing powers. The new part gives municipalities the ability to license and regulate any business carried out in the municipality. The chamber is concerned because, as currently worded, trade and competition may be restricted by municipalities through this section of the act. We do not oppose giving municipalities the power to pass bylaws providing for the licensing and regulation of businesses; however, we believe the proposed amendment needs to be defined and clarified to ensure that municipalities do not unfairly restrict business from operating or impose additional regulatory requirements which will threaten the ability of the private sector to create jobs and growth throughout the province.

(3) The third item we have some concerns about is with regard to health services restructuring amendments to the Independent Health Facilities Act. I know you had separate hearings related to health about two weeks ago, so I will keep my remarks brief.

Part IV of schedule F of Bill 26 contains amendments to the Independent Health Facilities Act concerning the use of personal medical information. The proposed amendments provide the Minister of Health with new powers to collect, use and disclose personal information for specified purposes and to enter into agreements for the exchange of personal information for specified purposes. While the Timmins Chamber of Commerce supports the goal of the provincial government to reduce fraud in the health care system, we believe government's power should be better defined due to the highly sensitive nature of the information involved.

In conclusion, Bill 26 is a very broad and comprehensive bill which contains amendments to the various pieces



of legislation necessary to restructure the provincial government and to achieve fiscal savings and improve the operating efficiency of government. The Timmins Chamber of Commerce supports the broad direction being laid out by the government in relation to this legislation. It is our belief that through these actions, the government is sending out the right message to the private sector and investors in Ontario, the United States and abroad that Ontario is open for business and that Ontario is a good place to invest.

I thank you for affording me the opportunity to appear before you this afternoon to share the position of the Timmins Chamber of Commerce concerning Bill 26. This concludes my remarks, and I will be more than pleased to answer any questions you may have with regard to my presentation.

**Mr Bisson:** Thank you very much, John. I never thought I'd see the day where the Timmins Chamber of Commerce would come to a standing committee of the Legislature and support actions of the New Democratic government, because the changes to the Corporations Tax Act of which you're in favour are things we put in place in our 1993-94 budget. I'm glad to see you agree.

I want to go through a couple of concerns you've raised, and I think they're legitimate: the powers municipalities are being given to increase user fees or implement a direct tax on its citizens or businesses. The government is saying it needs to deal with this bill by January 29 so it can go on with the fiscal side of its agenda. Would you support carving out of the act those parts that are not needed for the government to deal with its own stuff—for example, the direct tax to municipalities, the licensing powers to municipalities, the annexation of municipalities—and leave those out so we have a chance as a society to deal with that a little better and work out some of the problems?

**Mr Bragagnolo:** When you start leaving out those kinds of issues, the broad scope of the whole legislation in part gets lost. Part of the reason these kinds of issues are put into this legislation is that we all believe that the cost cutting is going to happen, we've seen the impact the municipalities are going to have, the school boards. They all realize their revenues are going to decrease dramatically as part of this cost-cutting procedure.

It's imperative that the municipalities continue the same kind of thought throughout their deliberations. We'd like to see the cuts that come down and affect their revenues not only turn into extra taxes at the municipal level, because that defeats the whole purpose. To exclude those sections would really exclude part that is fundamental to the whole principle of this legislation.

**Mr Bisson:** I'm interested because I think that's going to be part of the problem we're going to be faced with. The municipalities that deal with the cuts are going to have the powers to do that.

I want to come back to something that you said in your brief and ask you a series of very quick questions around it, and that's the question of your triple E: effective, efficient and economic government. Would you say that our hospital is not effective, efficient and economical?

**Mr Bragagnolo:** I think our local hospital has made excellent strides towards attaining the 3E status. I think

they've made some excellent strides, but I think there's probably room for some more strides to be made.

**Mr Bisson:** There's always, but would you say the hospitals are not efficient, effective or economical?

**Mr Bragagnolo:** I think they are right now, but any sort of organization can become more effective, more efficient and more economical.

**Mr Bisson:** Well, you can always do that. The municipalities, are they not efficient, effective and economical?

**Mr Bragagnolo:** I think there's room, again, in the municipalities to become more effective, more efficient and more economical in those processes.

**Mr Bisson:** They're not efficient, then.

**Mr Bragagnolo:** I'm not saying they're not efficient; I just said there's room for improvement.

**Mr Bisson:** The Roman Catholic separate school board, same question.

**Mr Bragagnolo:** My same philosophy continues through all rounds of boards and municipal powers in our community. They do an excellent job and we're most supportive of them, but I think there's room, as in any organization, to dig a little deeper, to become more efficient, more economical and more effective.

**Mr Bisson:** Where I lead with all of this, and I'll leave it to my friend Mr Silipo after, is that I understand the chamber's position in saying that it wants every public institution—as I want every private institution because I'm the one as a consumer who pays for inefficient management in the private sector—I too agree that we need to make sure that we're all efficient, but the problem I have is that the tone is as if the municipality, the school boards, the hospitals, are not efficient and therefore we've got to do all of that.

I just want to put on the record that we do have some efficient public institutions out there that do a good job. Workers don't get paid \$1 million an hour to work there. As a matter of fact, they're paid quite a bit less than you pay in the private sector up here. They're doing a darned good job in trying to run those agencies. I wouldn't want the chamber to maybe leave a different impression, that they're not efficient and economical.

**Mr Bragagnolo:** I'm not leaving that impression at all. The message we want to give is that our fiscal house has to get in order. I think government, like business has over the past decade, needs to become more efficient and economical. We and our members feel there's a lot of room for that to happen.

**Mr Bisson:** What about the private sector?

**Mr Bragagnolo:** I think the private sector has really led the way in restructuring. The companies that have been able to restructure have done so and are thriving now; those which haven't have either demised or are on their way to demise.

**Mr Bisson:** That's why I pay a higher price.

**Mr Young:** According to 1993 Statscan figures, the latest figures available, 87% of Ontarians make under \$50,000 a year. Every one of those people is going to get a tax cut. We view this as the largest job creation program in the history of Ontario. We're going to put money back in working people's pockets. We think they'll spend it. I'd like to ask you what difference that's going to make in your community to your local business and your local business tax base.



**Mr Bragnolo:** One of our concerns, and I think it's been raised many times by the Ontario Chamber of Commerce and our chamber of commerce, is that our members feel a couple of things concerning government. First of all, we feel that there is too much government and that our members pay far too much tax. We think that if you can get more money into the hands of the small business operator, the medium business operator and the large business operator, that's when you're going to really see the economy start to churn again and really promote true job creation.

**Mr Young:** On the other side of the coin, with the debt that we have and the \$9-billion deficit that is growing \$1 million an hour, as you point out in your presentation, what would happen to your community social programs and our health care system and our education system if we don't take the action we have to take to address this debt and deficit?

**Mr Bragnolo:** What I referred to in my remarks is I think what we're doing is just unfairly passing on the responsibility to our children and our grandchildren to deal with. I think we're at a point now in our economy where these problems are almost getting to the point where they're going to be unmanageable in the future. If we don't manage them now, I think we're going to ruin it for generations to come, and that's why we feel there's a need to get these issues in order.

1450

**Mr Sampson:** One interesting point, following up on my colleague's question: Have you ever calculated what the cumulative amount of the tax cut would be, let's say, to the city of Timmins, how much money it will be in the pockets of the residents of the city after the tax cut is implemented?

**Mr Bragnolo:** I haven't done the calculation myself, I'm sorry, but it would be significant. In my day job, I also manage a retail shopping facility and we see that the consumer confidence, because our local economy has been so strong, is starting to pick up. If you can get more dollars into the hands of consumers, we're going to see that trend increase even more.

**Mr Sampson:** We've had some comment from other deputants in other cities that perhaps it's not wise to try to move the decision-making as far locally as we can get it. I think they felt that would provide too much authority and too much power at that level. But does the group you represent feel they have more ability to influence such decision-making if it's at the local level as opposed to, for instance, at Queens' Park?

**Mr Bragnolo:** I think decentralization does put a little more power into the local forces and you're able to make that change. If you look at some of the bigger corporations like IBM, they soon found out that was very necessary, to become a little more local and decentralize a little bit. However, some of the concerns, if the powers are brought down to the local level, we just want to make sure there are not greater barriers caused by the local level upon business and put greater pressure in that regard.

**Mr Sampson:** But if they do that, clearly you're going to have an opportunity to affect their decision.

**Mr Bragnolo:** Yes, we will.

**Mr Sampson:** Every once in a while they're going to ask you to hire them for the next three years and the electorate is going to say, "Well, no, maybe we'll hire somebody else, because we don't like the decisions you've been making."

**Mr Bragnolo:** That's right. That's the fundamental of our democratic process.

**Mr Phillips:** I appreciate the chamber's presentation, and I just want to follow up on Mr Sampson's comments. In the old days, I used to be in business myself. I had three companies, 300 employees, so I have, as they say, some idea of it.

Here's the way the government plans to run its finances: Right now—imagine this were a company—we've got a debt of about \$100 billion and we've got a deficit of around \$9 billion. We've got to somehow or other manage that. The government is going to cut about \$8 billion worth of spending, and then it's going to declare a \$5-billion dividend in the form of a tax break. We are trying to get our deficit under control, but to some of the shareholders they're declaring a \$5-billion dividend in the form of a tax break.

This is a really strange way to run a company, I think, when you are saying we're bankrupt, all of us have got to lend our shoulder to the wheel, this is a terrible situation. If this were a company and you were going to the bank with this little business plan and you're saying you're bankrupt, but you can afford a \$5-billion dividend in the form of a tax break, would the banks here in Timmins want to loan money to this kind of company?

**Mr Bragnolo:** A couple of things: I think you raised an interesting point; it's comparing the finances. I think if any company was in the financial shape the Ontario government is, it would be long bankrupt.

Having said that, I think a tax break is necessary because I think what it does is it gets money back into the hands of the private sector. If anybody has proven that they can create jobs and stimulate an economy, I don't think we can look to the public sector to do that. I think it's the private sector's mandate and I think it's up the challenge of being able to do that. There's far too much tax burden on the small, medium and large businesses as we speak right now. If you can get more tax dollars into the hands of these people, I think you're going to see job creation happen and I think you're going to see the economy start to thrive again.

**Mr Phillips:** Well, we probably have different bankers, I guess. I don't think I'd leave the bank with a loan or I don't think I'd sell the bank on this business plan if I were this much in debt, this big a deficit and I planned a \$5-billion dividend to the shareholders. But we just have a different perspective on it.

The licensing provisions here are fascinating. I assume you've read the bill. What it says in the licensing here is that here are the licensing powers, which will require "the payment of licence fees, which may be in the nature of a tax for the privilege conferred...." Then it goes on to say, furthermore, if we give you the licence, we have the power "to inspect places or premises used in the carrying on of the business and the equipment, vehicles and other personal property used or kept for hire in connection with the carrying on of the business."



I'm wondering what the chamber's view is on the meaning of "in the nature of a tax" for a business licence. I might add that we've had some mayors say they're going to take licences from \$20 up to \$500. What's the chamber's view on what they mean by "may be in the nature of a tax" and how concerned is the chamber about that provision?

**Mr Bragagnolo:** In my remarks I referred to that concern specifically. We'd like to see this restructuring process carried out right through to the end. I think we've seen it somewhat on the federal level, we're seeing it at the provincial level and we hope to see the same thing on the municipal level. We do not want to use the municipality and we have concerns that some of the powers they might get in relation to the bill would indeed, as you say, become direct taxes to businesses. We have a definite concern about that and we hope this point will be clarified in the bill.

**Mr Phillips:** The problem you run into, I think, is that this was part of the deal the government struck with the municipalities. They said, "You're going to get the taxing powers, unlimited flexibility on fees and on the licensing power enormous potential for licensing powers." So if you're hoping for a change, good luck, but I'm just telling you what we've heard is that this is something that's been given to the municipalities and the idea of them backing off it—the challenge I have with the chamber presentation often is—with all due respect to the chamber—they are very much in support of the title of the bill because it sounds quite good, an act that achieves fiscal savings and promotes economic prosperity etc.

Frankly, when you get into the detail of the bill, the ones you do support—I agree with my colleagues here that the NDP old budgets—the ones you've got big concerns about are fundamental to the bill: that is, the imposition of brand new municipal fees, taxes and licensing power that I think fundamentally changes the way services are financed in this province. Imagine that your amendments that you proposed don't get adopted. What's the chamber's view on the bill then?

**Mr Bragagnolo:** We think both the Timmins chamber and its members and the Ontario chamber and its 65,000

members really do have some say in that their issues will be taken into consideration. I'm not one to hypothetically judge any situation. If the case is that we do not get clarification and those direct taxes are going to be imposed, then we would carry on our fight to the municipal level.

**Mr Bisson:** On a point of privilege, Mr Chairman: You say the chamber has some say with who?

**The Chair:** It's not a point of privilege, Mr Bisson.

**Mr Bisson:** Hang on a second. There is a point of privilege. If he's saying that the chambers have some with the government and we as members will not accept amendments to this bill, I would like to know an answer to that point.

**Mr Bragagnolo:** I'm not saying that we have clout with the government. I'm saying we represent 65,000 businesses in the province of Ontario. That unto itself—people tend to stand up and listen to what we have to say when it affects the province.

**The Chair:** Thank you for coming forward today and making a presentation on behalf of the chamber.

**Mr Silipo:** Before we move on, Mr Chair, I appreciate you have some final words before we leave Timmins. I just wanted to say that I wanted, if you will allow, to table a couple of motions for our consideration tomorrow that deal with the issues we've been raising day after day, together with our Liberal colleagues, around both the—

**Mr Gerretsen:** You didn't like the fact that we got ours in first.

**Mr Silipo:** No, we can find an accommodation around that, let me assure my Liberal colleagues on this. I think the point I wanted to just make again, Mr Chair, was that in tabling these, once again I regret that we haven't been able to hear more people here, that we only managed to hear 10 or 11 people out of the 24 groups that had requested. I really hope sincerely that the members of the government side think seriously about the implications of that for the process and consider these motions for tomorrow morning.

**The Chair:** Thank you very much and we will adjourn until tomorrow morning at 9 am.

*The subcommittee adjourned at 1501.*















## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

\*Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

**Substitutions present / Membres remplaçants présents:**

Klees, Frank (York-Mackenzie PC) for Mr Hardeman

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

**Also taking part / Autre participants et participantes:**

Bisson, Gilles, (Cochrane South / -Sud ND)

Brown, Michael A. (Algoma-Manitoulin L)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Monday 15 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i></b> .....	GS-659
Canadian Union of Public Employees, Local 210 .....	GS-662
Gerry Philion, secretary	
Leonard Lemieux, president	
Michel Labelle .....	GS-666
Iroquois Falls Heritage Coalition .....	GS-671
Ben Lefebvre, representative	
Ontario Prospectors Association .....	GS-675
Bruce Jeffery, chairman	
Canadian Union of Public Employees, Local 369 .....	GS-678
Iain MacKenzie, president	
Jim Croteau, recording secretary	
Ontario Secondary School Teachers' Federation, Porcupine division .....	GS-683
Jack McLaughlin, president	
Pat Bamford, president, district 55	
Township of Dymond .....	GS-687
Carman Kidd, reeve	
Timmins Women Teachers' Association .....	GS-691
Sherri Jones, president	
Township of Black River-Matheson; city of Timmins .....	GS-695
Pierrette Blok, reeve of Black River-Matheson	
Victor Power, mayor of Timmins	
Timmins Chamber of Commerce .....	GS-699
John Bragagnolo, president	



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XC16  
-G25

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**Official Report  
of Debates  
(Hansard)**

**Tuesday 16 January 1996**

**Journal  
des débats  
(Hansard)**

**Mardi 16 janvier 1996**

**Evidence subcommittee  
Standing committee on  
general government**

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

**Savings and Restructuring Act, 1995**

**Loi de 1995 sur les économies  
et la restructuration**

**Non-health-related issues**

**Questions non reliées à la santé**

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Tuesday 16 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Mardi 16 janvier 1996

*The subcommittee met at 0900 in the Ramada Inn, Sudbury.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, ladies and gentlemen. Committee members, welcome to Sudbury. We have a few motions, again, this morning to discuss before we hear our first witness. Before we do that I would like to welcome Ms Martel, the member for Sudbury East, and Mr Bartolucci, the member for Sudbury. That's it this morning for new members. Mr Brown was here yesterday too. Mr Silipo, you have a motion to move.

**Mr Tony Silipo (Dovercourt):** Yes. Thank you, Mr Chair. I was going to say I'm happy to move it, but I'm actually not happy to move it, but I will move it none the less.

Whereas there has been overwhelming public interest in Bill 26 and that 68 groups and individuals have requested to appear before the standing committee on general government in Sudbury which far exceed the 13 spaces available today for hearings;

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, that the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Sudbury;

Further, that this committee recommends that the three House leaders meet as soon as possible to discuss the issue.

If I may speak briefly, I said that I'm not happy to have to move this motion because I would have hoped that by now the government side would have realized and the government would have realized the wisdom of providing additional time to have these hearings. I know that our Liberal colleagues have a similar motion that

they put, and so they stand with us, and we've been working very much together on this particular point.

I think it's incumbent upon the government to recognize that here in Sudbury, as indeed in every other community that we've been in, the response and the interest in Bill 26 have far exceeded the time allotted for people to be heard. Although there's been a common thread, it's fair to say, in the presentations, it's also true that as more people come before us, as more groups come before us, different aspects of this bill are also revealed. So it's incumbent, we believe very strongly, that members be willing to provide additional time.

We think that can be done in a way that does not jeopardize the return of the bill to the House on January 29 in the possible separation at that time of those aspects of the bill over which there can be agreement reached, with potentially, then, some further discussion on those aspects that are important.

I know here in Sudbury last night, as a way to deal with the overwhelming requests, that there were in fact hearings held by a variety of community groups, and I'm sure that others will speak to that. It was just incredible, the number of people who had to resort to that avenue in order to have their voices heard because this committee was not able and will not be able to hear them.

**Mr Rob Sampson (Mississauga West):** In speaking to this motion, I think it's important to establish some facts as they relate to this committee and the time we're spending dealing with this particular piece of legislation. It's important to note that the hearing time actually allocated to this particular bill is more hearing time than any other piece of legislation in the past two sessions of the past two Parliaments. I think it's important to note that in establishing this particular time there was to-ing and fro-ing between the various House leaders as to how much time is going to be spent on committee hearings, where the hearings are going etc.

Through the process of to-ing and fro-ing, there was actually an option that was put forward by the government House leader that in addition to the time we're currently spending, both on the road and in Toronto in both public hearings and also clause-by-clause review, there was an additional week offered between the hearing times and the clause-by-clause review to allow for a fuller consideration, if I can, of the possible amendments that might be put forward. That, of course, was an offer that was not accepted by either of the two parties across the floor, at least by their House leaders anyhow.

We're aware of the fact that there are people who are unable to speak to us today. Our response has been that's



the case in other cities. We're prepared to receive written submissions and I think the tally is now, if my memory serves me correctly, eight written submissions. One was tabled yesterday, I believe. We've been through two public hearing weeks and we've received eight written submissions. Those will be given due and full consideration by certainly our side of the table prior to the scoping out of amendments.

I think it's also important to note that it's not this side of the table, Mr Chair, that determines, as you know and the members opposite know, who speaks in front of the committee. It's a process that was established by the consent of both sides of the table prior to the hearings starting. It's a process that we've followed religiously, as far as I can gather anyhow, since the hearings were started and it's a process that I suspect we'll continue to follow going forward.

We are listening. We are prepared to respond to the issues and concerns raised by individuals. We've been encouraged to table amendments. In fact, we were encouraged to table amendments before we started the hearings on the northwestern Ontario route and we're not prepared to do that, Mr Chair, because we believe it's important to hear from all Ontarians across this province. Whether they happen to be in southwestern Ontario, northwestern Ontario, wherever, it's important for all residents of Ontario to have their views expressed to us before we scope out the depth and breadth of any change to this bill.

So I think I'd like to move ahead and hear from the deputants who have spent the time and energy to come to the table today and speak to us, and we'll be voting against that particular motion.

**The Chair:** Thank you. Mr Bartolucci.

**Mr Rick Bartolucci (Sudbury):** I speak in support of the motion. The motion is not only timely; it's necessary. But before I speak to the motion, I'd just like to clear up a few misconceptions so that the general audience and the general public will understand that this bill would have been law by now, had it not been for the two opposition parties in defence of the rights of the people of Ontario.

Let us not be fooled that there would be additional hours of hearings. Those additional hours of hearings would have taken place between 9 am and 12 midnight, only in Toronto, and we would not have had the opportunity to inform the public. The public would not have been aware of the complexity of this bill. In fact, clearly and without a doubt the public is understanding better, I think, than the government that the complexities of this particular bill and the ramifications of its passing need more time, need more discussion, need more input, need more amendments and need the input and the rights of the people of Ontario to be heard.

Clearly and without a doubt, as I rise in support of this resolution, I want you to understand—let us take a tale of one city, simply Sudbury. We had 50 groups wanting to present last Tuesday and only 14 were heard; 68 people want to be heard today only 13 are going to be heard. Simple, commonsense arithmetic tells you that the vast majority of people within the city and region of Sudbury are not being heard.

Let me just talk a little bit about those groups that aren't being heard. Students from Laurentian University, refused the right to be heard—all kinds of groups that affect the future of Ontario not being heard. It's wrong. They want the opportunity to be heard. The motion by the NDP, by Mr Silipo, allows for these people to be heard.

Clearly, I have to go back because the government side always goes back to the Common Sense Revolution, and let me go back to page 19, which states, "We are ready to listen, to learn and to work with you." I find it upsetting that the people who were voted in on June 8 don't even believe their own Common Sense Revolution doctrine when they say they are "ready to listen, to learn and to work" with the people of Ontario.

Clearly if you are, then you as the government side of this committee should be more than happy to support the resolution and bring it back to our House leaders so that further discussion and dialogue can take place in the city of Sudbury.

0910

**The Chair:** Thank you. Before I put the motion I'd like to welcome Mr Martin, the member for Sault Ste Marie, to the committee today and Mr Laughren, the member for Nickel Belt. I hope that's a sign of a return to health, and all committee members are happy to see you, Mr Laughren.

Eligible to vote today are Mr Silipo, Mr Phillips, Mr Gerretsen, Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young.

**Mr Gerry Phillips (Scarborough-Agincourt):** Let Mr Laughren vote too.

**Mr John Gerretsen (Kingston and The Islands):** I think he deserves a vote.

**The Chair:** A recorded vote, I believe.

**Ayes**

Mr Gerretsen, Mr Phillips, Mr Silipo.

**Nays**

Mr Hardeman, Mr Sampson, Mr Tascona, Mr Young.

**The Chair:** I declare the motion lost.

Mr Silipo would like to have tabled, and will move, a second motion.

**Mr Silipo:** Thank you, Mr Chair. I'll move this motion and I think Ms Martel is going to speak to it, actually, on our behalf.

Whereas there are only four days remaining for public scrutiny on Bill 26; and

Whereas public interest in this bill has been overwhelming; and

Whereas the vast majority of presenters to the standing committee on general government have recommended major changes be made to the bill;

I move that this committee recommend to the government House leader that the 118 individuals and groups that requested to appear before the standing committee on general government in Sudbury be given the opportunity today to see the government amendments to Bill 26.

**Ms Shelley Martel (Sudbury East):** In terms of responding to the motion that's been put forward by my



colleague Mr Silipo, let me say the following. I understand that the government has told people, when this motion has been moved, that it's important to hear from all the people who are presenting and the government wishes to hear from everyone before the amendments are tabled.

I have to say to you, Mr Chair, that I sat through the committee hearings last week in Sudbury and I fully expect, when I sit through the committee hearings today, that there will be a number of groups that will themselves request from the government the amendments to the various sections that we have been told are coming. I think that the public that is here and wants to make comment on this particular piece of legislation should have the right to also know what the government has in mind so that they have an opportunity to respond to the same.

There is no doubt in my mind that there are amendments which are already drafted that have probably already had cabinet approval. I say that for a couple of reasons.

First of all, the Minister of Health, in response to some very severe criticism that he received from the privacy commissioner regarding the new powers he has brought on to himself to collect and to disclose information of patients, said in fact that he would amend the sections that responded to the concerns that were outlined by the privacy commissioner. Those of you who recall when this letter was released by the privacy commissioner will know that was done before the hearings even started, in fact before the House even recessed last December. He made it very clear that as the Minister of Health, with his solicitors from the ministry, there would be amendments to respond to those very significant concerns. I suspect they are already drafted; I suspect they have already been seen by cabinet.

Secondly, when the committee started in Toronto at the end of December, Mr Wilson, when he spoke to the various sections of the bill regarding health changes, also made it clear that there would be a sunset provision with respect to the restructuring commission. That too requires amendments to the legislation which is before us. No doubt, if the minister talked about that very particular piece of legislation and the change he wanted to make, he already has the amendments with respect to sunseting of the restructuring commission. I think the people who are coming before this committee who are expressing some serious concerns about the minister's power around restructuring and the role and mandate of the commission should be entitled to see the amendments that he already has in place that deal with that very issue.

Finally, when the committee was here last Tuesday, in response to some very serious concerns that were raised by the ACCESS AIDS Committee of Sudbury around disclosure-of-privacy information and what that would mean to people suffering from AIDS or who were HIV-positive, Ms Johns made it absolutely clear from the government side that there would be amendments to respond to those concerns. She gave an absolute assurance to the group that was here that day. There were a number of other groups that raised concerns around the very same issue that day, and yet no one has had the

benefit of seeing the amendments that Ms Johns assures are going to be placed by the government to respond to whether or not they will in fact address their concerns around privacy and patient confidentiality.

For those three reasons alone, I have no doubt there are amendments, I have no doubt they have they have been seen by cabinet, and for the life of me I cannot understand why the government will not release those amendments to the public so that the good folks who have taken time to prepare presentations can come here, can take a good look at the amendments and can also speak to those and tell the government very clearly whether or not the amendments are going to respond to those concerns at all.

So I would encourage the government at this time today or, if not, tomorrow, when they start the hearings in northwestern Ontario, to table the amendments so that the public has a right to speak to them as well.

**Mr Sampson:** I always find it interesting how the other side of the table can say at one point, "Listen, government members, you tabled this legislation apparently without consulting people. Why have you written draft legislation? Why have you written legislation without consultation, and full consultations?" and yet with respect to amendments they want us effectively to table legislation before consultation is complete.

Our point is, and our view is, let us complete the consultation process before we establish the depth and breadth of certain amendments. Even yesterday we heard from a council representative saying, with respect to perhaps some improvement in the democratization, so to speak, of the restructuring process, "You might want to consider this." Well, it was the first time we'd heard that suggestion. Clearly, if we tabled something before that, any amendment wouldn't have reflected her input or her concerns or her issues. We're not prepared to shut off the voice of the people we are yet to hear. I think they're prepared to have and they should have input into the scope of the amendments that we table, and we're prepared to do that. It might as well be tabled and discussed in clause-by-clause review, as is the normal process, and they will reflect the full extent of the hearings that we've had.

**Mr Phillips:** The motion makes all sorts of sense, and, frankly, what the government says doesn't. Just so the public is aware, five minutes into the hearings on December 18, the Minister of Municipal Affairs, Al Leach, came in and said, "I intend to introduce an amendment." Then he went on to say, "I intend to make additional amendments." He said he was going to make the amendments. He said that five minutes into this. We hadn't heard from one person in the public, and he said before we heard even a peep from the public that he was going to make these amendments. So it isn't us saying this. It's the government saying, "We already have prepared amendments."

You're putting people into a very embarrassing position. The chamber of commerce will be here today. I suspect that if they knew that it was the intention of this legislation to permit a gas tax or a municipal sales tax—I might add that in Toronto there's the release of a major report today calling for a gas tax for the greater Toronto



area, and we've heard from mayor after mayor that this legislation permits a municipal gas tax. Well, does it or doesn't it? The advice that many legal counsels have given to municipalities is, "Permit the gas tax." So the chamber of commerce today—I don't know—may be supporting this bill, but they should be aware they're supporting a bill that permits a municipal gas tax. So when a municipality's back is right to the wall and their grants have already been cut by 50%, their backs are going to be more and more to the wall, and as a desperate move they introduce a gas tax, the chamber is going to be in the unfortunate position of supporting the bill that permitted that.

The bill right now takes away pension benefits from public sector employees. Well, that's unfair. Perhaps there should be an amendment. If that's what they want to do, every employee in this province should be treated fairly, but we don't know whether that's the government's intent or not. But the chamber has to come here today, I suspect, to support the bill not knowing what the government's intentions are. I think in fairness to organizations like the chamber, the government should say what its intentions are.

What we're going to find is that at 9 o'clock Friday night, this committee hears its final deputation. We then head back to Queen's Park to begin clause-by-clause hearings at 9 o'clock on Monday morning, and I suspect the government's going to come and dump a bunch of amendments, some surprises, on the table. I guarantee you that the bulk of them, as my colleague Ms Martel said, have already been written and approved, waiting to be tabled.

0920

I think rather than put deputations through the challenge of having to support something when they're not even clear on what they're supporting—you're putting people in the wrong position. There is absolutely nothing wrong with the government saying: "We've now agreed. We will be proposing these amendments. If there are deputations that add to it, fine, but this clarifies our intent." So the motion is clearly in order.

The government itself said as early as five minutes into the hearings that it had amendments. Why are we not seeing them? We're not seeing them, I think, because organizations like the chamber might have trouble supporting this bill if they knew what the full intentions of the government were. The intent is: Keep them in the dark, hold out hope that their amendments might be tabled, and then it's too late. The chamber will be, I suspect, on record as supporting the bill, and the amendments they want have no intention of being implemented. So why not see the amendments?

**The Chair:** Thank you, Mr Phillips. I'll put the motion.

**Mr Silipo:** A recorded vote.

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

## SUDBURY AND DISTRICT CHAMBER OF COMMERCE

**The Chair:** May I please have representatives from the Sudbury and District Chamber of Commerce come forward. Good morning and welcome to the standing committee on general government. You will have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from the three caucuses. I'd appreciate it if at the beginning of the presentation you'd take some time to introduce yourselves for the benefit of Hansard and committee members.

**Ms Darla Scott:** My name is Darla Scott and I am the president of the Sudbury and District Chamber of Commerce. Accompanying me this morning is Debbi Nicholson, the executive director of the chamber. On behalf of our approximately 1,000 members, I wish to extend our appreciation to you for allowing me the opportunity to make this presentation this morning.

The Sudbury and District Chamber of Commerce is one of the largest and most dynamic chambers in northern Ontario, and we take a keen interest in representing the views and interests of our membership. Our members are drawn from all areas of our region and are engaged in every sector of the economy, from the multinationals to the independent owner-operator. However, approximately 80% of our members are small businesses, companies with fewer than 10 employees. We represent the interests of the business community and are the recognized voice of business in our area.

The underlying purpose of Bill 26, which is to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining and efficiency, is a worthy cause and one that is supported in principle by the Sudbury chamber. Government restructuring is long overdue, and continued attempts to Band-Aid our fiscal haemorrhage are not effective and are not the answer. With deficits averaging nearly \$10 billion annually over the past four years and an accumulated debt of more than \$90 billion, it is imperative that the Ontario government take aggressive measures to reduce spending and get its fiscal house in order.

Governments at all levels should not, cannot and must not continue trying to be all things to all people. It is unrealistic and financially irresponsible. Rather, it is our belief that the role of government in today's economy should be to create a climate that fosters a culture for entrepreneurship, that encourages business growth and that attracts new investment and new jobs.

Restructuring government and restoring confidence in the financial strengths of the province is essential to the future of Ontario's economy. As you are aware, the business community has had to face the restructuring of its own operations over the past decade in order to stay competitive in an increasingly difficult marketplace. Those businesses that have adjusted have successfully emerged from the recession of the early 1990s; those that did not adapt are no longer with us.

Bill 26 is a very broad bill and proposes changes to many pieces of legislation affecting our members. We are not experts, nor do we have the time and the resources to



become totally familiar with the whole of the omnibus bill, its proposed changes and the implications. However, I would like to focus on a few specific proposed amendments to the various acts that we feel are particularly important to our constituents.

**Amendments to the Municipal Act:** The Sudbury chamber supports the thrust of the proposed amendments to the Municipal Act as they allow municipalities to impose a broad range of user charges and licensing fees, as well as the opportunity to privatize certain services, which ultimately will provide greater autonomy, accountability, efficiency and decision-making at the local level. It will increase local accountability by placing a greater share of revenue-raising responsibility at the level of government which is making important expenditure decisions. It will also increase efficiency by letting user charges influence the consumption of municipal services and by opening municipal services to private competition. It must be understood, however, that the imposition of fees must be limited to a value-for-money basis; that is, the most efficient and effective use of tax dollars for the services rendered. It must not simply be to replace lost revenues from transfer payments.

Privatization, franchising and contracting out of municipal services have been used successfully in many jurisdictions to reduce costs and also to improve efficiencies. The establishment of a competitive environment in which both municipal departments and private providers can bid on public service provisions, at a standard determined by municipal government, can be beneficial and provide new economies.

Above all, it must be noted that the bill does not require municipalities to increase user fees; it does not require municipalities to privatize anything; it does not require municipalities to impose licensing fees or other taxes. It merely allows them to do these things if they are confident that the electorate will react favourably. If municipalities abuse these new privileges, retribution will come swiftly via the ballot box and shrinking commercial and industrial assessment rolls.

**Amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act:** The draft legislation permits the government to exempt two of the largest public service pension plans from the provisions of the Ontario Pension Benefits Act relating to partial pension plan windups triggered by staffing reductions. We are concerned with this provision in so far as private employers have not been extended the same privilege. By its own actions, the provincial government has implicitly recognized that the Pension Benefits Act rules on partial plan windups are onerous and costly for employers.

We would suggest that the Pension Commission of Ontario be directed to apply the exemption which the government of Ontario has created for itself to all Ontario workforce reductions. It would be inappropriate for the government to be exempting itself from this costly legislation while still expecting private sector employers to comply.

**The Corporations Tax Act:** We support the proposed changes contained in schedule B of Bill 26 to the Corporations Tax Act concerning the mining reclamation trust

tax credit and the Ontario innovation tax credit for small and medium-sized, Canadian-controlled private corporations having permanent establishments in Ontario in respect of scientific research and experimental development in Ontario.

**0930**

We believe there is a positive role for government to play to encourage the private sector to invest in the province. The proposed amendments to the Corporations Tax Act will assist these sectors to create jobs and contribute to the overall provincial economy.

In conclusion, Bill 26 is a very comprehensive bill which contains amendments to the various pieces of legislation necessary to restructure the public sector, to achieve fiscal savings and improve operating efficiencies of government. The Sudbury and District Chamber of Commerce supports several of the broad directions being charted by the government through this legislation. We believe that through these actions the government is sending the right message to the private sector, that the province is open for business, investment and job growth once again. We appreciate the opportunity to appear before the standing committee today to offer the views of the Sudbury and District Chamber of Commerce on Bill 26.

**The Chair:** We have about six minutes per caucus for questions, starting with the government caucus.

**Mr Ernie Hardeman (Oxford):** Thank you very much and good morning, and thank you for the presentation. I want to go quickly to the user fee issue. Your chamber is very supportive of putting the local economy in place where municipalities can charge for the services they provide. It's been expressed by a number of presenters that municipalities may overuse this. Does the chamber have concern that municipalities, I suppose in plain terms, could not be trusted with this type of autonomy, that there needs to be more control put in place that would limit the ability on certain services or certain types of product that the municipality provides that they could charge for and they shouldn't? Do you see any need for that further control?

**Ms Scott:** I think we have two things to take into consideration. One, our municipal politicians are elected by the taxpayers regionally and municipally with the belief that they are capable of doing a good job for us. I think secondly we have to keep in mind that user fees have been discussed in our region for some time with respect to the fact that both at the city and throughout our municipalities the line on zero mill rate increases has been held for the past four years. We must recognize that we need to invest in upgrades to our sewer and water and waste management systems. With the use of user fees, it makes the user very, very aware of the cost of those services. At the present time, it's built into the tax bill and we don't see that. So I think with user fees, we can control the escalating costs of waste management and make people more responsible for their own consumption.

**Mr Hardeman:** Carrying on in the same vein, the issue of licensing powers and the ability to licence: I believe you expressed some concern that there should be, again, value for money. Do you see a danger or an asset to municipalities being able to license more broadly and being able to do that on a cost-recovery basis? Some of



your members are not paying for the services that the municipality is providing for others to keep them in business. I just point out that it's been brought up a number of times about the issue of a licence. A certain licence may be able to go up from \$20 to \$225 because that's actually the cost of administering that licence for a certain type of business. Does your chamber have any problems with total cost recovery on all licensing?

**Ms Scott:** I think that what we have to keep in mind is that if the cost is in fact that high and it is done as effectively and efficiently as possible, then the users should pay the cost. If we can bring the cost down to the \$20 that it currently is and that's what it costs, then that's what we should pay. I think we have to keep in mind, again, that users have control over their consumption and have direct input with our local politicians in terms of the efficiency and effectiveness of our system. We believe that this can help to improve the way government, locally, delivers its services.

**Mr Hardeman:** I guess, finally, then it's fair to say that you support that the local elected officials are closest to the people, so they are the best and most appropriate area to look at to make those decisions on behalf of the people as to the money available and the type of services they should be providing.

**Ms Scott:** Certainly our local politicians are much more accessible than our provincial or federal politicians. We have access to them on a day-to-day basis because they are here all the time in our community. But certainly people feel much more able to access and to inform our local politicians about their views.

**Mr Phillips:** I appreciate the chamber's presentation, although I tend to find that chambers love the title of the bill then express some significant concerns about the details. Just so you know, your request that they must be limited to value for money and simply not to replace lost revenues from transfer payments has nothing to do with the intent of the bill. It is clear from listening to the mayors that they want, and the government says they are going to provide, unlimited flexibility for the fees. So I guarantee you there will be nothing in this bill that says the fees must be in terms of value for money. As a matter of fact, the deputy mayor of London says they can't wait four weeks for this bill to be passed. They were urging us to pass it faster so they can impose new taxes, new fees, to replace the lost revenue from the province.

What I'm saying to you, as the chamber is, you are supporting a bill that gives unlimited flexibility for fees, not necessarily value for money, allows the imposition of new taxes such as municipal gas taxes, and in the licensing area the wording for the licensing says, "requiring the payment of licence fees, which may be in the nature of a tax for the privilege conferred..." I think you've used the words "must be limited." It will not be limited to that. In the licence area, we heard yesterday the mayor of Guelph say that they're looking forward to being able to take a licence from \$20 to \$500. I guess the reason for all of this is—and I think municipalities, as I said earlier, are well-intentioned—their backs are to the wall. Their grants are cut 50%.

So when you find fees introduced that have nothing to do with value for service, simply a fee, would the cham-

ber still support the bill even if you accepted that there will be many fees introduced that have nothing to do with value for money, that some municipalities in Ontario will introduce a gas tax and that some of your licences would be in the nature of a tax? In other words, it would not be a fixed licence; it would be in the nature of some form of tax based on sales of some product. Would you still have the support of the chamber for the bill?

**Ms Scott:** I don't believe our members would be in support of a fee in the form of a tax on sales, on revenues or on payrolls. That is something that chamber members have expressed their disagreement with long and hard over many, many years.

I think what you have to keep in mind from a business perspective and from a taxpayer's perspective is, if we give the autonomy to our local municipal politicians, those politicians will hear from us loudly and clearly as to the limit that we are prepared to go to to pick up the difference in the transfer payments. I don't believe that the local taxpayer is going to sit back and allow our municipal politicians to increase taxes by 50% to pick up the difference. There is a firm belief in our community that taxes should be rendering services that provide value.

**Mr Phillips:** We've had at least three mayors say, they're going to introduce city gas tax.

**Mr Scott:** A city gas tax for what? To have gas pumps—

**Mr Phillips:** To replace gas revenue from the province.

**Ms Scott:** To have pumps in the downtown area? Is that what it's for?

**Mr Phillips:** Three of them have said—the mayor of Mississauga, the Metro chair, and the deputy mayor of London—that it would be in some form of a gas tax.

**Ms Scott:** We have municipalities in other cities in Canada which impose gas taxes within their jurisdictions and it's accepted and complied with by those taxpayers.

0940

**Mr Phillips:** So you support a gas tax, then.

**Ms Scott:** No, I wouldn't say I support a gas tax. I think what I'm trying to tell you is that what this bill offers is, our local politicians have the autonomy to make those decisions, and it is up to us to tell them the limit that we are prepared to accept. You're providing flexibility. Local politicians have cried over many, many years about the fact that provinces impose certain restrictions on them yet expect them to deliver certain services and have often said, "If they'd just let us do it our way, we could do it better."

**Mr Gerretsen:** You're a local politician, by the way.

**Ms Scott:** No, I'm not a local politician nor have I any desire to be one.

**Ms Martel:** I'd like to pursue the line of questioning started off by Mr Phillips, if I might. I just want to be clear, Ms Scott, on page 3, where you say, "The...chamber supports the thrust of the proposed amendments...as they allow municipalities to impose a broader range of user charges and licensing fees...." So the chamber supports that.

**Ms Scott:** Yes.



**Ms Martel:** The chamber supports the municipalities having a right to increase taxes at the local level, because user fees and licensing fees are taxes, no matter how you look at it. Is that what you support?

**Ms Scott:** We support it. It doesn't mean that it must be imposed.

**Ms Martel:** My memory is not that great, but I remember a time when my colleague who is sitting right here was Treasurer, in 1993-94—

**Mr Floyd Laughren (Nickel Belt):** Leave me out of this.

**Ms Martel:** —and we had to increase taxes in those two fiscal years by about \$2 billion, and the chamber of commerce here went bananas when we did that, went absolutely bananas, and made no bones about how the increased taxes were bad for business, bad for individual ratepayers, and yet you come here today and you're saying you support a bill that allows municipalities to do just that. I find that contradiction just unbelievable.

**Ms Scott:** I can understand that. However, I think if you look back at the thrust that the chamber started approximately five years ago, we supported and led a drive for a zero mill rate increase locally, and that has happened. So we have more influence locally on the increase in taxes than we have provincially. Taxpayers have been keen to keep the line on mill rate increases. We've increased assessment revenues through new business, through residential construction, but we've not increased mill rates. Local politicians have responded to that.

**Ms Martel:** But your argument has been that you don't support any increase in tax, regardless of at the provincial or municipal level. But you're coming in today with a submission that very clearly says, "Well, municipalities might not use the power." Everyone in the room thinks they will because when they're suffering a 50% decrease in transfers from the province, of course they're going to have no choice but to do that if they're going to try and maintain service.

You're here today saying very clearly: "It's okay. We'll give municipalities the power to do that. We didn't like when the province did that at the provincial level and we dumped all over the province when they did that, but it's okay now to allow the Tories to allow municipalities to do that." I just find that a very contradictory position for the chamber to be in.

**Ms Scott:** Let me put it this way. We would be equally averse to any increase in provincial taxes today as we have been in the past. The position locally is simply that this allows municipalities flexibility. It allows them to make some choices. It doesn't say that they must increase those. In fact, we believe that there are still some significant cost savings to be had locally, through the amalgamation of waste management collection, for instance. We believe that that can happen, but under the current system it's not likely to happen. With some of the changes that are being proposed here, it is more likely that we will be able to realize savings of half a million to a million and a half dollars in waste collection through this region.

So our point is that the options are there. It doesn't mean that they have to be used. As a business person, the option is to increase my prices to whatever level I want.

Obviously, I'll only stay in business if my prices are at a level that the market is willing to pay. I believe that the same holds true for municipalities. Taxes can be increased to whatever level you want, but people will not tolerate that.

**Mr Silipo:** But the point, Ms Scott, that we're making is that if you're going to give municipalities the power to tax, the only reason you're going to give it to them or the only reason it becomes relevant is if they use it. If you're saying you don't want them to use it, then what's the point of giving it to them? If they're going to have it, then they're going to use it.

The basic question that's been asked of you is whether

**Mr Silipo:** But the point we're making is that if you're going to give municipalities the power to tax, the only reason it becomes relevant is if they use it. If you're saying you don't want them to use it, what's the point of giving it to them? If they're going to have it, they're going to use it. The basic question that's been asked of you is whether you're in favour, and I think you're saying you're in favour of them having the power. What you're saying indirectly is that you're in favour of them using it. You may not want them to use it as much, but they're going to use it if they have it, otherwise what's the point of giving it to them?

I also want to pursue your point on the pension. I'm not sure you're aware, but the government tried to do what it's now doing through legislation, which is to not pay out to its employees the pension rights due to them under windup when there are massive layoffs. They tried to do that by regulation earlier this year. The union took them to court and the court agreed with the union that what the government was doing was illegal and it couldn't do it. Now the government has brought in legislation trying to override the court decision, in effect trying to get around the law; as some people have put it, to steal money that belongs to the employee. I don't know if you are aware that happened, the background to this, and why the government is now doing this. I found it puzzling that you would be asking the government to allow all employers to break the law, to steal from pension plans, because that's really what would be happening.

**Ms Scott:** The statement, I believe, is that we feel it is inappropriate that the government should allow itself this opportunity to wind down pension plans without extending the same privilege to all employers. Either it's the same legislation—

**Mr Silipo:** So either steal from everybody or—

**Ms Scott:** I'm not saying stealing. I'm saying the legislation, as it stands today, is to be intended for everyone, and I don't believe the government should be excluded.

**The Chair:** Sorry to interrupt, but we've come to the end of the time. Thank you for coming forward and making your presentation to the committee.

#### CANADIAN UNION OF PUBLIC EMPLOYEES

**The Chair:** Could representatives from the Canadian Union of Public Employees please come forward. Good morning, gentlemen. You have half an hour to make your



presentation, which you may use as you see fit. You may wish to leave some time for questions or response from the three caucuses. I'd appreciate it if you'd introduce yourselves at the beginning of your presentation.

**Mr Mike Sauve:** My name is Mike Sauve and I'm the representative for CUPE in the North Bay area, and this is René Fortin, regional assistant director for CUPE out of the Sudbury office.

Thank you very much for giving me this opportunity to address the committee today. I'm here not only on behalf of the 1,800 CUPE members in the North Bay area but also on behalf of those who rely on the care and services we provide. Our members provide this care to many of the most vulnerable in our society, including the elderly, the sick and children. CUPE members also work to keep our schools running, they work at local utilities, libraries, municipalities etc. We are instrumental in maintaining the very infrastructure of our communities.

Any legislation that threatens to weaken or possibly eliminate the delivery of these services is bad legislation—bad for the community, bad for those who rely on those services, bad for the workers. Bill 26 is just that: bad legislation.

The manner in which Bill 26 was introduced and the attempt to have it passed quickly through the Legislature can only be characterized as an assault on democracy.

This is a very far-reaching bill, both in terms of content and the possible consequences of being passed by the Legislature. It creates three new acts, totally repeals two acts and amends a total of 44 other acts. Given the complexity of the bill, the number of acts affected, and the consequences to all residents of this province, this bill should be scrapped.

We urge the government to instead embark on a course of action that would include consultation with all the stakeholders prior to tabling new measures. We also urge the government to table any new measures in a more manageable form.

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I have referred to the services provided by public sector employees and their importance to the community. I suggest to you that they are also vital to the economic wellbeing of the North Bay area. A recent survey released by North Bay's Economic Development Advisory Board has shown that the top 10 employers in the area by number of employees are public sector employers. Of the top 100 employers in the area, 27% are public sector employers; however, 60% of the employees are public sector employees. There is no doubt that North Bay's economy is at risk with Bill 26.

I have included in my submission a copy from the local newspaper at the time of the release of the survey. I won't go through that, but I ask that you peruse that.

Also included in my submission is a list of the top 100 North Bay employers, and you will note that at the top of the list we have the Canadian Forces Base North Bay; North Bay General Hospital; Nipissing Board of Education; Nipissing district Roman Catholic school board; Ontario Northland Transportation Commission; North Bay Psychiatric Hospital; city of North Bay; Canadore College; Ministry of Transportation; Ministry of the Solicitor

General and Correctional Services; and then Cassellholme Home for the Aged.

You can see by looking at this list how absolutely important the public sector is to North Bay and its economy. There can be no mistake: Any reduction in the level of services in the public sector will have a dramatic effect on our economy.

With the downloading on to municipalities and the introduction of many new user fees, one has to wonder how far the government's proposed tax cuts would go in providing a net increase in disposable income for the people in Ontario. Increases in user fees and the introduction of new user fees and taxes would certainly negate any provincial tax breaks.

To date, there appears to be a great deal of confusion over Bill 26 with respect to the authority municipalities would have to impose new user fees and taxes. The people of this province have a right to know what the impact of Bill 26 would be on their day-to-day lives. Will property taxes rise? Will bus fares go up? What about water rates? What about ice time in the arenas? What about user fees for parks? Will these services even exist in the future?

Although my comments have so far been of a general nature regarding Bill 26, there should be no doubt about my position. Bill 26 is unacceptable in that it violates the democratic processes we have fought so hard to achieve. It also threatens the delivery of vital services to the community. The motivation for providing services should be caring and compassion, not the bottom line or profit.

At this point I will comment on specific schedules of the bill, and I'll start with schedule J. This schedule amends the Pay Equity Act. The main thrust of schedule J is the repeal of the proxy method of achieving pay equity. This repeal would take place on January 1, 1997.

The proxy method of achieving pay equity was introduced in 1993. It provided an opportunity for thousands of women in female-dominated workplaces to achieve pay equity where no male job classes existed. The proxy method allows pay equity comparisons to be made with female comparators in designated establishments. Before its introduction, thousands of women were denied the opportunity to achieve pay equity and were stuck with the burden of low-paying jobs in female-dominated workplaces.

Schedule J also limits the amount of pay equity adjustments achieved through the proxy method and appears to cap adjustments at 3% of an employer's 1993 Ontario payroll or a lesser amount as is required to achieve pay equity. There is also some question as to the enforcement of the 3% payout.

I urge this committee to withdraw schedule J and to recommend that all decisions regarding the Pay Equity Act be postponed until a pay equity review has been conducted as contemplated in section 37 of the existing act. Public hearings should also be held on this issue to allow the women of Ontario an opportunity to respond to any proposed changes in the act.

I would like to comment on schedule M, but I'll go to schedule Q, which you will find on page 34 of my submission. My submission on schedule M is rather



lengthy and if I'm going to run out of time, I would rather complete my submission in the other areas first.

Schedule Q amends various statutes with regard to interest arbitration. Included are the Fire Departments Act, the Hospital Labour Disputes Arbitration Act, the Police Services Act, the Public Service Act and the School Boards and Teachers Collective Negotiations Act.

The bill would require arbitrators to consider the following before issuing their awards:

"1. The employer's ability to pay in light of its fiscal situation.

"2. The extent to which services may have to be reduced, if the current funding levels are not increased.

"3. The economic situation in Ontario and in the municipality.

"4. A comparison, as between the employees and other comparable employees in the broader public sector, of the terms and conditions of employment and the nature of the work performed.

"5. The employer's need for qualified employees."

The introduction of these factors will seriously interfere with the independence and integrity of the arbitration system. Can the process be fair and impartial when one of the parties to the process can make the rules that govern how an arbitrator can rule? Simply put, it cannot.

Employers for many years have attempted to use the ability to pay as argument in the arbitration process. Not only have arbitrators rejected the argument, they have criticized the ability-to-pay criterion on the basis that it would require public sector employees to subsidize public services through substandard wages. By requiring arbitrators to consider ability to pay, the government is actually using the process to impose a form of wage control on workers.

You will find included in this submission comments from several arbitrators on the issue, and I would like to read into the record some of these comments.

Arbitrators have again and again rejected the ability-to-pay argument as a valid criterion in interest arbitration. Owen Shime, a well-respected arbitrator, stated the following in regard to the ability-to-pay criterion:

"Public sector employees should not be required to subsidize the community by accepting substandard wages and working conditions.... On balance, the total community which requires the service should shoulder the financial loss and not expect the employees of the industry to bear an unfair burden by accepting wages and working conditions which are substandard.... If the community needs and demands the public service, then the members of the community must bear the necessary cost to provide fair and equitable wages and not expect the employees to subsidize the service by accepting substandard wages....

"Arguments that decisions granting increases considering cost of living will have an impact on the economy and drive the cost-of-living indices even higher should bear little weight in the arbitration process. There is no proof that arbitration awards are capable of aggravating a rising cost of living and there is sufficient evidence that the necessity to readjust wages is a result of, rather than the cause of, increased living costs. Thus most arbitrators have given consideration to this factor as a response to the economy and have adopted the position that a particu-

lar arbitration involving a limited number of employees is not the place to regulate the national or provincial economy. The arbitration process as an institution is not equipped to be a regulator of the economy. That function is properly the role of Parliament or the Legislature adopting necessary fiscal or monetary policies."

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There are other comments included.

"An arbitrator should not make decisions based on budgetary limitations and priorities set by the government, otherwise he would not be completely independent as he must always be." This is what they're going to be asked to do.

Another comment:

"The government which supplies the greatest part of the income for this institution cannot expect it to continue at a loss and to hold that out as a barrier to justifiable increases for the employees of the institution. While the ability to pay is a factor to be considered in many situations, it does not have the same force or effect in public institutions and is not a proper basis to restrict an arbitration which must be made on objective facts."

Also: "The ability of the employer to pay in a public sector dispute is irrelevant. It is not that I fail to recognize the difficulties facing the employer, when inflation is running at 8.5% per annum and provincial grants are only 4.5%, in continuing the high level of service which our society has become accustomed to. However, these employees cannot be expected to subsidize a higher level of care than we as a society can afford or are prepared to pay for by receiving less than appropriate wages."

I suggest that upon reading the other comments from other arbitrators in this submission, you will note that the comments are basically all the same. It would be highly unfair for the workers to force arbitrators to consider ability to pay. It is nothing but a form of subsidizing the community.

Although the present system of comparability used in the determination of compensation issues is not perfect, it must be continued; that is, comparability with employees of the same employer, with employees performing similar work in the public sector and with employees performing similar work for employers in the private sector.

The requirement for an arbitrator to consider "the extent to which services may have to be reduced, if the current funding levels are not increased" is also of concern to us. The intent of this clause is not clear. This requirement may force employees to accept substandard wages rather than have an arbitrator unilaterally rule on a reduction of service. Is that what this section means? This again would be a situation where public sector employees subsidize services.

The possibility also exists for employers to no longer be held accountable for decision-making regarding the provision of services. All stakeholders—the public, the employers and the employees—should be involved in that process. Arbitration boards must be free to weigh the evidence presented by both parties at an arbitration hearing. There should be no interference from the government. For all these reasons, we urge this government to withdraw schedule Q.



Now I'll go back to schedule M. Schedule M amends the Municipal Act and 12 other statutes related to municipalities, conservation authorities and transportation.

The following is the submission on schedule M submitted previously to the committee by the Ontario division of CUPE. It states very well our concerns with this schedule. There can be no doubt that schedule M follows the undemocratic processes contemplated by this government.

**Municipalities and local boards:** The basis of the restructuring of municipalities is to change the way in which services are provided, how services are paid for and by whom, and how decisions are made regarding provision of services.

A critical implication of schedule M will be the retreat of the provincial government from its responsibility to ensure that services are accessible, affordable and equitable. It is clear that this government wants less government involvement and less spending on services. This is obvious from the recent financial statement, in which it announced it would cut total municipal spending by 47.9%, or \$657 million, over the next two years.

Put simply, the provincial government will be offloading its responsibility to provide services on to the municipalities. Municipalities will have no choice but to either increase taxes or expand and increase user fees and other levies. Most will probably do both. This will only fuel the push towards the contracting out and privatization of services.

The intent of this part of Bill 26 is to provide the Minister of Municipal Affairs and Housing, and any restructuring commission appointed by him, with wide-ranging powers. It is particularly abhorrent that the regulations pertaining to Bill 26 are not yet set and that so many of the powers of the minister and the restructuring committee will be set by regulation. Therefore, the full impact of the bill may be even worse than it currently appears.

An overriding feature of Bill 26 is the creation of significant new ministerial powers to jurisdictionally restructure local communities. Bill 26 will force the annexation, amalgamation, separation, joining, dissolution or incorporation of municipalities if it is deemed appropriate or necessary by the minister. Restructuring can be initiated either by the minister alone or upon receiving a restructuring proposal from a municipality, a local board or a commission established by the minister. Any such restructuring proposal must fit within the definition laid down by the minister.

If one municipality or local board in a locality does not want amalgamation but another does, the minister will initiate a restructuring commission inquiry based on a proposal from one municipal body, despite the wishes of others in the same locality. Once a restructuring proposal is accepted by the minister, the decision is binding on all parties involved. The regulations pertaining to the restructuring must be accepted by all levels of municipal government, from the upper tier to the lowest board.

The Ontario Unconditional Grants Act is being replaced with the Ontario Municipal Support Grants Act. Bill 26 will give the Minister of Municipal Affairs and Housing the power to decide what standards of service municipalities must meet as a condition of receiving

provincial grants which are currently provided unconditionally. Clearly, municipalities and boards would be forced to comply with standards imposed by the minister if they are to continue to receive such grants. If a municipality fails to comply, the minister may also have the municipality repay the grant, and a municipality which does not meet these standards can be cut off from further provincial funding. Bill 26 will give the minister free rein to exercise his authority, with no scrutiny by the Legislature.

If a lower tier of municipal government opposes the contracting out or privatization of a particular service when it has been deemed appropriate or necessary by the minister, the municipality could be penalized or forced to conform with the minister's wishes. Such measures will obviously deter municipalities from implementing progressive changes that do not fit the regulations or criteria established by the minister.

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The bill, if passed, will effectively muzzle municipal politicians who may oppose the proposed restructuring in their community. Contravention of a regulation by municipal representatives could result in their being held personally liable if their municipality is deemed to be adversely affected financially by their refusal to comply with the regulations. This will serve as a further deterrent to contravening the regulations set out by the minister. This implication is especially odious, since the capacity of local public officials and councils to protect the vital public sector jobs and services according to local needs will be virtually abolished. Municipal councillors will be either forced to swim with the right-wing current or have a heavy price exacted on themselves and the constituencies they represent.

This muzzling of elected officials will mean that CUPE locals may no longer be negotiating changes with their direct employers. The province, through either the minister or the restructuring commission, will set the agenda for change and municipalities will be obligated to implement the changes. The province will be the ghost behind the bargaining table. Normal labour relations will be effectively stymied and unions will lose.

Perhaps the most alarming feature of the omnibus bill for municipalities is that they will be encouraged to, and in many cases coerced into, contracting out and privatizing services now provided by unionized municipal sector workers. In the name of efficiency and cost reduction, many municipal workers will face direct threats to their job security. If I may remind you of the survey I presented a little earlier about the importance of the public sector to North Bay's economy, one can only imagine the impact of a reduction of services to North Bay.

Furthermore, unions and collective agreements will be threatened by the bill's potential to override successor rights provisions and other protections in collective agreements. Any restructuring regulation imposed by the minister would prevail over such labour relations provisions as long as they comply with the Municipal Act. This potential to override other legislation also applies to the minister's power to exempt a municipality from other legislation during any form of restructuring, including amalgamations.



**The Chair:** Excuse me, Mr Sauve, I'd just let you know that you have about three minutes. You can continue until that time is used up or, if you want, we can allow a one-minute response from each caucus. It's up to you.

**Mr Sauve:** I will conclude my submission, and I will rely on my written submission to the committee.

**The Chair:** Thank you very much. We'll start with members from the opposition.

**Mr Bartolucci:** I'd like to go back to schedule Q for a second, Mr Sauve, and thank you for your presentation and its completeness.

Only a few people are in favour of Bill 26, and even the few friends of Bill 26, including the local chamber of commerce, say it's unfair that the government is gutting the collective bargaining process. Can you tell me how the playing field is destroyed because of the amendments in schedule Q for the collective bargaining process?

**Mr Sauve:** I believe the playing field is destroyed in that the process will no longer be fair and equitable. If one party has the right to make the rules, if one party can dictate to the impartial arbitrator how to go about making a ruling and what to take into consideration, the process is destroyed. It has to be impartial. The parties need to be able to make their arguments based on what's happening in all the other sectors. The suggestion that public sector employees have to accept a substandard wage rate because the government has imposed on an arbitrator that he or she must consider ability to pay—what is ability to pay?

I was in negotiations yesterday with a group from a home for the aged and already the employer is telling me, "We'll see you in arbitration," because now they're going to have to consider the ability to pay. We're talking about workers who are making barely over \$12 per hour.

**The Chair:** Excuse me, Mr Sauve. I have to move in to Ms Martel's time. I'm sorry. Ms Martel.

**Ms Martel:** Let me talk about these workers making \$12 an hour. CUPE would represent predominantly women who are working in nursing homes, homes for the aged, some of them providing essential care to people we really care about and not getting paid their worth, which was one of the reasons why our government, when we were government, moved forward on the provisions around the proxy method.

Tell me what's going to happen to your workers in those institutions now that the proxy method is going to be eliminated. What does that say about the value that this Tory government places on their work and the people they care for?

**Mr Sauve:** Actually, for those types of workers I would say that it's a double whammy. For one thing, most of these workers have to rely on the arbitration process for collective agreements because most of these workers we're talking about now do not have the right to strike. So if they're now going to take a hit in the bargaining process, where the ability to pay is going to be a factor, they're also going to take a hit as a result of the amendments to the Pay Equity Act. These are the very workers who are making the \$12 per hour who care for our elderly in homes for the aged, nursing homes and so on. So it's a double hit. They're going to be asked

twice, or it's going to be imposed on them twice to subsidize the community for taking care of the elderly. It's absolutely atrocious.

**Mr Joseph N. Tascona (Simcoe Centre):** I just note your schedule Q, the arbitration decisions, most of them are the late 1970s and the early 1980s. Certainly that was a time of high inflation and, I would say, a different fiscal situation for governments. We're in a period of low inflation and high fiscal debt. I'd just like your comments with respect to the criteria.

Certainly arbitrators at all times would consider all relevant criteria—that's not an issue—and certainly, from other submissions we've heard, ability to pay has been a factor that they've considered. What we're looking at here are mandatory criteria that bring, I would say, fiscal reality, not wage control, to the scenario. But also what we're looking at is that the factors aren't exhaustive. An arbitrator simply has to consider these factors, and no one's saying that you can't consider any more when you read that legislation.

Now what I've heard from other unions—the private sector especially is saying: "Why don't you do productivity bargaining? Why don't you quit focusing on wage increases in the public sector and focus on saving costs and delivering the service better, because the taxpayers can't pay any more?" I would just like to put that to you, what you think about that in terms of productivity bargaining in the era of fiscal restraint.

**Mr René Fortin:** I think, first of all, if I could respond to that, that I would have put it back because I don't have an understanding of what productivity bargaining is. We're dealing in services here to the public, and that's what we are; we're a service-oriented thing. We don't produce widgets at the end of the day.

**Mr Tascona:** You rework the compensation package and look for savings to save the taxpayer dollars, so you can have a better workforce.

**Mr Fortin:** But ultimately what we have to look at and the whole concern that we have certainly with the mandate that this government is putting forth to the arbitrators in terms of the ability to pay is that the politicians—and I take umbrage with the issue that the chamber of commerce is taking credit in this community for the issue of zero tax-based increases over the years. I mean, we have no control. Politicians can go up and say, "Let's not increase taxes," and get elected on that scenario. Therefore, does that mean the arbitration process is then an inability to pay because the politicians are saying, "We want to get elected with no taxes"?

**The Chair:** Thank you, gentlemen. I apologize for interrupting. We've come to the end of the half-hour. I want to thank you both for coming forward and making your presentation to the committee today. Thank you very much.

UNITED STEELWORKERS OF AMERICA,  
LOCAL 6500

**The Chair:** May I please have representatives from the USWA, Local 6500, come forward.

Good morning, gentlemen, and thank you for coming in to appear before our standing committee on general



government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive question and responses from the three caucuses. I'd appreciate it if you'd both take some time at the beginning of your presentation and introduce yourselves for the benefit of Hansard and the committee members.

**Mr Wayne Fraser:** My name's Wayne Fraser. I'm area coordinator for northeastern Ontario and also the president of the northeastern Ontario area council for the Steelworkers.

**Mr Dave Campbell:** My name is Dave Campbell. I'm the president of Local 6500, representing 4,700 unit workers at Inco Ltd. here in Sudbury.

1020

**Mr Fraser:** We'd like to begin by thanking the members of the New Democratic Party and the Liberal caucus at Queen's Park, who were solely responsible for preventing your government from ramming through Bill 26 with little debate and no public input. It would have been a tragedy for Ontario.

Dave and I have been citizens of this great province for over 45 years—I'm a little younger than he is—and during our lives we've never witnessed a more uncaring, a more ruthless and more undemocratic government than we've seen before us today.

Your government's constant attack against the poor, the elderly and the workers of this province is unprecedented. Your government's patronage towards your friends in big and small business in this province at the expense of the rest of the population will divide this province into many little parts. The needs of the people of this province must play a part in the deficit reduction equation. The needs of the poor, the elderly and the working class must be balanced and not ignored, and especially not viciously attacked, as your government is currently doing.

Our union, the Steelworkers, represents over 80,000 men and women in Ontario, and of these, 15,000 are located in northeastern Ontario. Our members work in a wide range of different industries in the private sector and public sector, and Bill 26 will affect them in a variety of ways. Our members in the health care sector are perhaps the most directly affected. Our members in the mining communities in northern Ontario will be affected by the legislation in Bill 26 that deals with mine site rehabilitation, changes that we consider damaging, ridiculously unnecessary and just a payback by the Tories to the mining companies for their support of your party.

Bill 26 is an extraordinary bill. It amends over 40 individual pieces of legislation under 17 different schedules, all but two or three of which, on their own, would be sufficiently controversial to merit extensive debate and public input.

Bill 26 has been described by your government as providing the tools needed by transfer payment partners to implement financial savings, yet most of the changes in the bill go far beyond the scope of savings or restructuring, even as they are defined by the government, into a kind of corporate and bureaucratic wish list, or as I stated earlier, a political payback of responsibilities to be

evaded, public processes to be avoided, obligations to be shuffled aside. How else can one explain the inclusion of such changes as the gutting of the mine site rehabilitation legislation, the restriction of access to information, the elimination of requirements for local referenda in the Municipal Act? Nothing to do with money.

But the biggest political contradiction of all is between the substance of the legislation and the economic policy that it supports and the extravagant and now empty rhetoric of the so-called Common Sense Revolution. Its real name should be No Sense Revolution.

Jobs instead of welfare: Sure, we see less welfare but thousands fewer jobs since your government was elected on June 8, 1995, and a lot more to come.

No cuts to health care? That's what you said in the Common Sense Revolution. "Not one cent," you said. Yet we're going to face \$1.4 billion in health care cuts.

No user fees for health care? What do you call copayments to the people who can't afford them the most?

No American-style medicare: Your government's talking about levelling the playing field between American and Canadian health care providers.

Your promise of protection of classroom education: Gone. The cuts to education will be blunt, across the board, with no protection in the classroom.

No new taxes: What a joke. What a monstrous lie to the people of Ontario. Municipal governments are talking about property tax hikes and user fees.

Democratization of public decision-making: Another farce, another bold-faced lie to the people of Ontario. The bill grants unprecedented power to cabinet and to appointed officials to make decisions that will fundamentally alter the way our society works. Important decisions will be made with the bill is passed without public input, democratic control or even effective judicial review. Sounds like fascism to me.

Perhaps the greatest irony of all, the Common Sense Revolution promised less government, but with the imposition of Bill 26, it turns out to be more government intervention for anyone who either provides or consumes a public service and about a free ride for big business interests that want to make a whole bunch of money on the backs of the public.

Dealing with specific issues in this bill is impossible. Around every corner there is another power granted that is more draconian, a denial of democracy more extreme, an attack on the values of our society more transparent than what we have ever seen before. We will only address a few and talk about them very briefly.

Expanded municipal user fee and tax powers: Bill 26 grants sweeping new powers to municipalities to levy user charges, including direct taxes. Astonishingly enough, this would appear to permit municipalities to impose poll taxes, the very tax that sank Margaret Thatcher.

The bill permits the setting of fees that discriminate among different classes of people. The minister may make regulations disallowing specific taxes in specific municipalities or disallowing certain types of taxes, but it's all subject to regulation and at the government's discretion. This conveniently lets the government off the hook in every way. It provides the politically expedient



way out of its promise not to raise property taxes. It shifts the blame to municipal governments for anything that's unpopular, and if something turns out to be really unpopular, you can turn around and disallow it.

To verify your hatred for workers in this province, your bold-faced decision to cut pension benefits for public service workers who are going to be laid off: It is completely bullshit that you try to do that to workers in this province. The Pension Benefits Act provides for additional rights for plan members whose service is terminated as a result of a major layoff or a shutdown. In these circumstances, the superintendent of pensions has the power to order a partial windup of a pension plan.

These additional rights include a guarantee that the employer's contribution will fund at least 50% of the cost of the pension, the right to immediate vesting of the employee's entire pension and the right to grow into early retirement bridging benefits. Bill 26 exempts the two pension plans for which the government of Ontario is responsible from these provisions, thus denying their employees facing layoff literally thousands of dollars in pension entitlements that are the right of every other worker in this province. Not only are the Conservatives liars, but you're stealers and you're thieves. If that's not far enough, you make it retroactive.

*Interjection.*

**Mr Fraser:** Don't interrupt me.

Restrictions on the freedom of information: Bill 26 grants wide rights to agency heads to refuse access to records, introduces user fees for requesting a record, even an individual's own record, and for filing an appeal, and increases the fees for record retrieval. This has got nothing to do with saving money or restructuring; it has to do with shielding more and more what the government is doing from public scrutiny.

The elimination of proxy valuation in pay equity: By eliminating proxy value comparisons from the Pay Equity Act, Bill 26 removes pay equity rights from over 100,000 women in the broader public service sector in Ontario. They would now lose their pay equity rights because their employer does not have a male-dominated job to which their jobs can be compared. And in the kind of retroactive measure that has become typical of this government, even where a proxy value plan has been posted, the employer is not bound by the schedule of compensation adjustments required to achieve pay equity. Again, another attack on workers who are women in this province.

The municipal restructuring amendments: Bill 26 gives this government the power to amalgamate, dissolve or create municipalities, force municipal annexations and include a municipality in a county for municipal purposes. While this power can be exercised at the request of a municipality or local area, it can also be exercised by the Minister of Municipal Affairs and Housing without reference to any local request. It also gives the minister the power to dissolve or change local boards of all kinds that perform municipal functions.

It gives the government the power to establish by regulation the rules and procedures governing the transfer of powers between local municipalities and county, regional, district or metropolitan governments. This would

permit the transformation of local municipal life in Ontario without any further public debate.

Restrictions on interest arbitration: You just heard our friends from CUPE. This is another attack on workers in this province by your government. Many workers in Ontario are denied the right to strike in support of their collective bargaining demands on the grounds that they provide services so important to the community that life or health would be threatened if they were to be withdrawn.

1030

As an alternative to the right to strike, these workers have access to a process of interest arbitration in which a neutral third party determines the financial contract in the event of a dispute. Bill 26 contains amendments which would nullify that alternative by introducing criteria which arbitrators have consistently found to be properly political in nature and not relevant to the interest arbitration process.

Requiring arbitrators to take into account ability to pay sounds reasonable unless you know that arbitrators have been unable to define "ability to pay" in the public sector, arguing that "ability to pay" in the public sector really means "willingness to pay" by the employer, something that is unilaterally determined by the employer—no say from the other side—tying the hands of an arbitrator.

Requiring arbitrators to take into account potential public service cuts again places the arbitrator in the position of making decisions about service cuts that should be made by you people, so people ought to know about them. Our union represents many workers in the nursing home and long-term-care sector who fall into this category.

At this time I'll pass it on to my friend Dave.

**Mr Campbell:** When we get a little deeper into the presentation there are going to be some comments made towards health care. It's not in the health care aspects; it's in its reference to business, and I know health care was debated at another date.

Mining: The bill rewrites the regulations governing mine site rehabilitation to replace the requirement for the public review of rehabilitation plans with an internal responsibility system controlled completely by mining companies. It also allows mining companies with old sites to contract out future environmental liabilities by paying a fee negotiated with the government.

The changes to requirements for mine site rehabilitation raise even broader issues of environmental responsibility and community involvement in northern Ontario. They attempt to end abruptly a debate that has gone on for decades and they do so firmly and completely on the side of the irresponsible minority, or companies in the mining industry that refuse to take their environmental obligations seriously, creating the potential for an environmental race to the bottom.

What we have trouble with, with this bill and with this government, is the far-reaching effects that your legislation will have on the fundamental democratic rights that were once enjoyed by all who live in this province. Your legislation that is before us gives a select few the right to dictate their judgements and legislates immunity for these same people.



Each time any government moves to downsize the cost of a service, they in fact may only defer a portion of that cost. In the case of your changes to the Ontario drug benefit, you have probably lessened your obligation to finance health care and will in fact drive up the cost of such benefits to employers who have already found Ontario a far too expensive place to do business.

For the past four years I have worked closely with our employer, Inco Ltd, in an effort to contain the cost of health care so as to protect the integrity of our program and to keep our business viable in times of poor market conditions. That's trade unionist talk in this company lingo here, if you're listening closely. Your current legislation will not only destroy our efforts, it will send our costs in an uncontrollable upward spiral for many years to come.

If any of you would like to see the effects of your devastating legislation on the operating costs of a large mining company, then just ask. I'm sure I can arrange for a presentation. It takes about two hours.

I've been in contact with a number of independent druggists in the Sudbury area, only to hear their concerns as to if they will be in business three years from now. The small business person thinks that your antics will lessen their costs and in fact attract business to Ontario. What if you're wrong? Remember, you can only blame the trade union movement for so long. Bad government will ultimately have to bear the blame for what's rightfully yours.

When teachers, doctors, nurses, pharmacists and all of the other highly paid people leave this province for employment in their field, or accept work at \$7 per hour, then and only then will business note there is little left for spending in their stores.

Employment, and only employment, will solve the woes of this province. The trade union movement has been the largest supporter of business in the province, yet in a few short months you have divided business and labour to an all-time low. You cannot apply a social agenda that mirrors a country of 275 million people just south of us and institute that agenda in a province of nine million people.

Communities liked Sudbury are dependent on government more than those located in the south. Legislative change that creates conflict will not lend to attracting business. Restricting education and health care will not lend to attracting business. Cutting services or applying user fees will not attract business, nor will enacting a dictatorship encourage business.

Some time ago I watched a PBS documentary. I was reminded that Hitler was in fact elected, and it reminded me of the few years past when Mr Rae was Premier and some of this government's friends paid for a billboard depicting Bob next to a donkey's ass. I wonder how Mike would feel if we erected a billboard with his face side by side with Adolf, and the caption could read, "They Both were Elected."

While Inco Ltd has reduced its workforce by the thousands—we had 18,000 people working for us at one time; we're down to 4,700—we did so without one layoff since 1982. We did this without layoffs because business, labour and government worked together in an atmosphere of trust.

Ladies and gentlemen, we don't trust you any more and that alone will deflect business away from this province.

Any benefits that your biased legislation will lend to your élite few will be devoured by the social unrest that is caused by your form of government. We are not going away. We will draw to the public's attention the ill effects of this government and you can blame us for the province's woes if you will.

The fact remains that there are still those of us who believe in the concept of taking less so that those without can have a little more. The mayor of our city says we should bleed a little bit. I feel better just remembering, and now we have these hearings to assist us in that regard. To you ladies and gentlemen over there, thank you for that.

Those of us who believe in the concepts that we believe in were born in difficult times. We are a militant group that became what we are by fighting the powers that be. We did not always have health care. Not many years ago our children had to leave school to go to work. There is no longer work for them to go to.

The benefits we enjoy were not handed to us by some government, nor were they handed to us by business. We fought like hell for them and we're going to fight like hell to keep them.

Conclusion: There is a theme running through the many disparate elements of this bill. Bill 26 grants government unprecedented power to make decisions that will affect the very fabric of life in this province. It gives government and officials extraordinary arbitrary powers to make decisions that affect consumers of public services, producers of public services and individual citizens who seek information from the government itself.

It does so in a way that veils those decisions from public review and debate. Ironically, or perhaps predictably, the bill itself does that even with this process that has been forced on it by the opposition parties.

Bill 26 is not about less government. It is about less scrutiny. It is about less democracy and it's not necessary. It should be withdrawn.

**The Chair:** Thank you, gentlemen. We have just a little bit more than two minutes per caucus for questions, starting with the third party.

**Ms Martel:** Let me ask the presenters some questions about pensions. Your union has fought long and hard to make sure that you have a good pension plan in place for people who leave mining after many years. You will know that the government in the legislation it puts forward in Bill 26 essentially allows itself to steal from the pension plan of its own employees.

Earlier on—I don't know if you were here or not—the chamber of commerce suggested to the government that an amendment should be moved that would allow all employers in the province the same right as the government, that is, allow people in the private sector to steal from pension plans too.

I wonder if you'd like to speak to that amendment that the chamber encouraged the government to consider today.

**Mr Fraser:** I'm not surprised that Darla Scott, president of the Sudbury and District Chamber of Commerce,



would say something like that, because we know where her interests lie. Let me just say this to the government: If you consider doing that in this province, you're never going to see a war like you've seen from the private sector. You're going to have a war with the public sector now. It shouldn't be allowed, what you've done with respect those people who were entitled and worked for those pensions, that you take their money because you're strapped for money in this province. You shouldn't steal it on the backs of the workers. They earned it, they worked for it and you shouldn't take it from them.

God behold if they try to do that in the private sector, let me tell you that right now.

1040

**Mr Campbell:** Our job after today will be to inform our membership, and we represent a very large constituency in northern Ontario, that the business community in Ontario condones you taking the moneys from your people and that in fact they would like you to reinstitute legislation that would take it from our pension plan. Gentle people, you can go to hell.

**Ms Martel:** One other question, if I might. Frankly, the contribution that you made here today is probably the strongest that I've seen, and I was involved in the hearings last week. I just want to ask you why you've come here today and made such a strong presentation. Why do you feel the way you do about the legislation the government is putting forward?

**Mr Fraser:** I don't think the people of Ontario realize the depth and magnitude of Bill 26. It's really unfortunate that we've only had about 10 or 12 hearings across this province with respect to this bill, because it goes so deep and so far in terms of gut-wrenching democracy from the people of Ontario that we had to come and say our views with respect to what we feel as not only leaders in our union but as workers, as citizens of Ontario, that this bill really should be withdrawn and you should have debate in Parliament and it should go out to more public hearings. I think it's a disgrace to the province of Ontario, to the people of Ontario, that this bill is even before us here today.

**Mr Campbell:** I just want to add, if I could, to that question. For 10 years we've changed the way we've done business in the province of Ontario and this government, in just a few short months, has destroyed all of the gains and all of the productivity improvements that we've put in. The trade union movement—if you check the collective bargaining agreements in the province of Ontario, less than 1% resulted in a labour dispute. In fact, the net gain of an employee with any employer in the province has decreased because of concessionary bargaining, that the trade union movement has met and understood industry and its predicaments in this province.

You have trashed all of that. If you think that business in other parts of the world is going to look to Ontario while we are in conflict with you, while we are going to fight with—and by hell, we are going to do that—and find this an attractive place to open business, Darla Scott and all the rest of the chambers of commerce in this province of Ontario had better open their eyes, because it isn't going to work.

**Mr Sampson:** I think there are quite a few people who'd agree that over the last 10 years, with the deficit of this province effectively doubling, we certainly have changed the way in which we've done business in this province. I don't know that the consensus would be that it would all be favourable.

We've had some people come to us and say: "The province may have a spending problem. It's certainly not terribly difficult to deal with. But there is a revenue problem in this province and we should try to tax the rich and tax the corporations more." Is this a view that your particular union would support?

**Mr Campbell:** My particular case, sir, is that you are going to sit in a corner and dictate to me how we're going to resolve it. This is a province that was designed with a number of constituents that should sit at a table as such and decide where we're going to take that direction, not by legislating in a document the powers that give you the right to move on something and then legalize it and keep you from having to sit up and be counted for that decision.

**Mr Fraser:** Let's just say fiscal responsibility doesn't mean stealing it from workers who are entitled to pensions; stealing it from the women of this province who are entitled to it because of pay equity. That's what it doesn't mean.

**The Chair:** Mr Sampson, we've come to the end of the government's time. We just had two minutes for questions. I apologize for interrupting. Mr Bartolucci.

**Mr Bartolucci:** I'd just like to follow up on this billion-dollar deficit position. The position of the government is that it has to take out \$8 billion to try to balance the system and then give \$5 billion back in the form of a tax cut. Can I have your comments with regard to their philosophy with regard to the \$5 billion?

**Mr Campbell:** Yes. They can keep my share and pay off the debt. I'm not opposed to doing my part. What I'm opposed to is you railroading my part up my—finger.

**Mr Bartolucci:** One other question that I'd like to address to Wayne and to Dave—you negotiate with the private sector. Give me a general overview of what you feel the mood is when one party begins negotiations by threatening to lay off 13,000 people, by introducing legislation which effectively destroys the process before it begins. What type of mood would they be setting if you were negotiating with them in private industry?

**Mr Fraser:** We've been across the table several times with our employer, Inco Ltd, where they came to the table with all types of great ideas about saving costs and taking from the workers with respect to concessions on health care, on pensions. On several of those occasions, we ended up with long labour disputes. It's the wrong way to do collective bargaining. There's a right way to do things; there's a wrong way to do things. What this government has done with the public sector is the wrong way to do business. It's going to set this province back for 20 years to come. We'll be there with the public sector, side by side.

**The Chair:** Gentlemen, I want to thank you for coming forward today and making your presentation to the standing committee on general government. Thank you very much for coming forward today.



## CANADIAN UNION OF PUBLIC EMPLOYEES, SUDBURY AND AREA

**The Chair:** May I please have the representative from CUPE, Sudbury, come forward. Good morning and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for response to questions from the three caucuses. I'd appreciate it if you'd introduce yourself for the benefit of committee members and Hansard at the beginning of your presentation.

**Mr Dennis Burke:** Thank you and good morning. My name is Dennis Burke. I'm a staff representative with the Canadian Union of Public Employees here in the Sudbury office. I would like to say thank you to the committee this morning for allowing me the time to present, but I can't; those I will say thank you to are the opposition members, both from the Liberal Party and the NDP, who made these hearings possible.

Ontarians cannot discuss the Harris government's omnibus bill, Bill 26, the Savings and Restructuring Act, without first reviewing the process. The manner in which this bill was introduced into the Legislature, on a day when the media, opposition members and the public were preoccupied with an economic statement, is revealing of the government's intentions. To suggest that the introduction and contents of Bill 26 are anti-democratic is an understatement.

The process blindsided Ontarians. It was meant to stifle public debate with the government's stated intention to make this draconian bill law in less than one month. If passed into law, Bill 26 will centralize unprecedented powers in the hands of cabinet ministers, powers that otherwise would be subject to debate, rules, rights to appeal and court reviews are given unilaterally to ministers. Bill 26 calls for government by regulation and administrative order rather than legislative debate and public scrutiny. Those ministers with unilateral powers are shielded from responsibility and liability for any decisions that they make.

Bill 26 capitulates to the wishes of corporate Ontario. Bars to privatization are removed. Bill 26 will attack the most vulnerable in Ontario. Disparities between the haves and the have-nots will widen. User fees will ensure access to public services by only the affluent.

Bill 26 is not about providing universal and accessible cost-effective public services; it is about an ideology, an ideology that subscribes to the philosophy that if you concentrate wealth in the hands of a few, economic engines will start and benefits will trickle down to everyone. This philosophy did not work in the United States and it did not work in Great Britain. We cannot be so naïve to believe that it will work in Ontario.

1050

Consider for a moment the following, the supposed lost 10 years, as Mike Harris says: In the mid-1970s, Ontario government spending per capita approached the national average; in 1993, it was 9% below the national average. In 1984, Ontario taxation was 5.8% below the national average; in 1993, it was 4.4% below the national average. I hardly think those are lost 10 years.

The "fiscal crisis" in this province is a manufactured one. It is created by the Harris government in its commitment to cut taxes and give money to the wealthy. Over-spending is not the problem; the recession and high unemployment are responsible for the relatively high debt in Ontario.

A 30% reduction in taxes, Ontario's largest source of income, will not reduce the debt. In fact, it may very well cause higher debt. Jobs will not be created through this cut. Any tax cuts will be more than offset by the imposition of user fees and the deregulation of drug pricing.

A bill of this magnitude deserves more than a cursory glance. The complexities and far-reaching effects deem it necessary that this bill must be broken down into smaller pieces requiring more hearings.

Ontarians do not know how this omnibus bill will affect their daily lives. We do not believe that the government even understands the impact. This bill, without regulations, is a blank cheque and will most definitely have a disastrous effect on Ontarians.

At this time I'd like to take the opportunity to go through some of the schedules briefly. I think that perhaps it would take a couple of days to go through all of them.

The first schedule is schedule A, the Public Sector Salary Disclosure Act, 1995. The purpose of this new act is to provide for public disclosure by public sector employers a list of all employees who earn \$100,000 or more. It would include all employers receiving either \$1 million or 10% of gross revenues from the Ontario government. However, there are exceptions to this rule. For-profit enterprises such as nursing homes are excluded. One must pose a simple question: Why are these enterprises, which derive a substantial amount of their income from the taxpayers of this province, exempt?

Should Bill 26 become law, the privatization of government services will accelerate at an unprecedented rate. A greater number of corporations will earn more income from the public purse at all levels of government. This act should be amended to include for-profit enterprise. The government as well should enact legislation that would provide for public disclosure by for-profit enterprise the amount of moneys each has received from any government body or agency and the amount of profit earned over the same period. Openness and accountability are the foundations of a truly democratic society.

Schedule J, Amendments to the Pay Equity Act: The purpose of pay equity is to redress pay inequities as a result of gender biases, be they intentional, unintentional or systemic. However, in its original form, literally hundreds of thousands of females in this province were bypassed under the legislation. Subsequently, the government of Ontario provided for proxy and proportional pay equity on January 1, 1994.

Schedule J calls for the repeal of proxy pay equity such that females who are unable to compare their wages to male-dominated job classes will face an even wider wage disparity relative to the male working force. In essence, this government is conveying to employers that it is all right to have, based on gender, discriminatory compensation practices. Taken in conjunction with the repeal of employment equity, schedule J is an assault on



the working women of Ontario. The future is bleak for these people. Working women will continue to remain in low-paying job ghettos with little chance of upward career mobility. The number of women falling into poverty will rise at an alarming rate.

Schedule K, Amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act: Any Ontarian who believes this government is committed to openness and accountability should closely examine this provision of Bill 26. The expanded powers to refuse access to records and the imposition of user fees for obtaining access are indicative of this government's intention, that is, to conduct its business under a cloak of secrecy. The net effect of schedule K is to provide access to information to only the affluent, while denying that same right to those who are unable to afford to make a request or pursue an appeal.

Schedule L, Amendments to the Public Service Pension Act and the Ontario Public Service Employees' Union Pension Act, 1994: Pensions are no more and no less than a deferred wage. Employers will, as a normal course of action in either granting pension plans to employees or negotiating same with unions, cost out the statutory and regulatory implications of the Pension Benefits Act.

Amendments provided under schedule L are nothing short of legislated theft. Schedule L allows this government to steal from its employees. Schedule L allows the government of Ontario to abdicate from its own responsibilities as it dumps its own employees on to the welfare rolls and privatizes public services.

Equally important, though, and let us not kid ourselves, the government's corporate buddies will soon be knocking at the door requesting the very same exemptions from provisions of the Pension Benefits Act. One would hardly expect that corporate Ontario will be held to the basic minimum standards legislation when the government is not, and isn't that what the Sudbury and District Chamber of Commerce said to you this morning? This is not just an insult to government employees nor is it just a blatant attempt to steal from government employees; schedule L is an outright fraud brought against the working people of Ontario.

Schedule M, Amendments to the Municipal Act and Various Other Statutes Related to Municipalities, Conservation Authorities and Transportation: Schedule M provisions allow the government to download its responsibility to provide accessible, affordable and equitable services on to the backs of municipalities.

The challenges to be met by municipal government are rather complex: increased property taxes, new or increased user fees and reductions in or complete elimination of services. Amendments to the Municipal Act conveniently create a scapegoat for this government.

We are uncertain as to what the exact ramifications this omnibus bill will have on municipalities. The bill as proposed, without accompanying regulations, leaves the Minister of Municipal Affairs with unlimited power.

The omnibus bill will provide for, among other items: restructuring of local municipalities without local input; restructuring of municipalities in some cases without even municipal consent; dismantling of commissions and

boards; privatization of public utilities without referendum; migration of municipal services to for-profit enterprise; the minister to override other pieces of legislation; the minister to withdraw, withhold or seek reimbursement of any or all moneys provided to municipalities; and last but not least, new user fees or taxes, which in essence are the same thing.

Public services provided by municipalities are at risk. To put this bill into context, we should examine a hypothetical situation based on what we are able to comprehend from schedule M to date, because it changes day after day.

A bylaw of an upper-tier municipality to assume a local or lower-tier responsibility needs triple majority support: (1) a majority of votes on upper-tier council; (2) consent from the majority of local councils forming upper-tier municipalities; and (3) those consenting municipalities must have the majority of the electorate in the upper-tier municipality.

Our hypothetical upper-tier municipality is a regional municipality. The regional council is comprised of 18 councillors representing seven local municipalities. In addition, our council has an appointed chairperson.

Our hypothetical regional municipality enacts a bylaw, with the required support, to assume the lower-tier responsibility of garbage collection. Regional council approves the bylaw based on an assumption that garbage collection can be performed cheaper, therefore allowing them to use proposed savings to fund other services. Our upper-tier municipality, despite being fiscally responsible over the years, has a real money problem and a failing infrastructure.

The Minister of Municipal Affairs facilitates this transfer of power and makes regulations as he is allowed under Bill 26. In doing so, he overrides the successor rights provision of the Labour Relations Act and the employment security regulations that accompany the Regional Municipalities Act, as those regulations pertain to waste management. The upper-tier municipality did not request this, however. The minister went ahead and did so. With the stroke of a pen, 25 municipal employees lose employment.

Proposals for garbage collection by the private sector are requested by our upper-tier municipality and subsequently a contract is signed with the lowest bidder. Municipal garbage collection equipment transferred to the upper-tier municipality is sold off. Incidentally, this equipment was paid for by the lower-tier municipalities, who receive nothing in return.

#### 1100

The contractor, now knowing that it would be cost-prohibitive for the municipality to start up their own garbage collection operation, rapidly escalates the price it charges the municipality. The minister requests an audit of our upper-tier municipality and, after reviewing same, threatens to withdraw funding, as he would be allowed to under this bill. The upper-tier municipality must become more efficient and more effective.

Our municipality has some difficult decisions to make. Do they raise property taxes, impose user fees such as tag and bag, or discontinue garbage collection services, letting the private sector assume total control of such?



All of the foregoing occurred without public input. A hypothetical example? Hardly not. This scenario will be played out in many Ontario communities should Bill 26 receive approval. One should look at other jurisdictions in North America very clearly where municipal services have been contracted out holus-bolus and see what those jurisdictions are doing now. They're bringing it back in, at quite the price.

Two other items. There are so many items under schedule M I think we could take a look at, but time doesn't permit.

Public utility commissions, in particular hydroelectric commissions: This bill would allow, in essence, a local municipality to assume total control of that hydroelectric commission and then sell it off so that they could use those funds to subsidize other services they provide. Just look at what happened in Great Britain with the great sell-off, and look at the rates there. The profits that are being made on the backs of the public now are just unbelievable.

There are two very brief comments I have to make about schedule M. One, I guess, deals with credibility. In reviewing documentation in preparing my brief, I was reading the economic statement that the Minister of Finance made to the people of Ontario in November. He said: "We've listened to municipalities. We're going to give them the right to determine where their spending priorities are." Unfortunately, that's what it appears to be on paper, but when you look at the bill, they have no autonomy whatsoever, as the chamber of commerce would allude to, because the minister has the unilateral power to withdraw, withhold or seek reimbursement of grants that municipalities receive. I would hardly think that's autonomy.

Schedule Q: amendments to various statutes with regard to interest arbitration. Schedule Q amends legislation respecting collective bargaining dispute resolution in the fire, police, hospital, public service and school board sectors. Bill 26 would require interest arbitrators to factor into any decision they make the following:

- Ability to pay in light of an employer's fiscal situation;
- Extent to which services may have to be reduced if funding is not increased;
- Local and provincial economic situation;
- Comparison of terms and conditions of employment and nature of work performed with comparable broader public sector employees;
- Employer's need for qualified employees.

The ability-to-pay criterion is in fact a willingness-to-pay issue. The budgetary process of government bodies would be the determining factor, not the collective bargaining process and certainly not interest arbitration. Employers can, and they will, fix employee compensation budgets knowing full well that interest arbitrators will have their hands tied and have to award the employer's position with no regard to any evidence presented by employees. The collective bargaining process itself will be undermined. There will be no incentive to employers during the negotiating process to arrive at a settlement. Public employees will be forced to subsidize public

services through substandard wages and inferior working conditions.

The criteria that arbitrators "consider the extent to which services may have to be reduced if current funding levels are not increased" poses grave concerns. The role an interest arbitration board has, after weighing all the evidence, is to determine what the provisions of a collective agreement will be. The role of the interest arbitration board is certainly not to determine spending priorities and service cuts. Its sole role is to replicate free collective bargaining.

The proposed amendments to interest arbitration will by legislative decree make this collective bargaining dispute resolution process an instrument of the government's political agenda: Cut services and cut spending.

There's one other point I would like to make, because I heard earlier in the questions that came from the government side of the committee talk about negotiating productivity. I have to laugh at that comment, because this is the government that upon assuming power withdrew the training and workplace innovation funding which had everything to do with productivity and negotiations with unions. They withdrew it. You shouldn't be sitting here talking about how we should be negotiating when you withdraw those instruments that we use.

In conclusion, the ties that bind our province are about to be cut. Universality and accessibility to cost-effective public services will no longer be available, the very foundation upon which this great province was built. The roots of democracy are destroyed when so much power is given to so few individuals with no checks and balances. Ontarians will have no say and no rights to appeal unilateral decisions made by the ministers of the crown. Public debate of issues important to citizens will cease. Our Ontario has no room for government under the cloak of secrecy. Ontario citizens demand and expect that their government is open and accountable. This most draconian and perverse omnibus bill must be scrapped immediately.

On a personal note, I think this government should go further than scrapping this bill. I believe this government should resign for what I term as the greatest hoax ever about to be pulled off on the people of Ontario.

**The Chair:** We will start off questions with the government caucus. Mr Hardeman.

**Mr Hardeman:** Thank you very much for your presentation. I just wanted to go quickly to the section on the migration of services between the upper and the lower tier, recognizing that there is a need to downsize government and provide the most cost-effective municipal services to the people. I think in the bill it tries to do that with the ability of the legislation to allow the local people to make that decision, as you mention in your presentation, the triple majority of the upper tier, the majority of the lower-tier municipalities and the majority of the population.

I just wondered if you could maybe give us a little assistance. If that is not the sufficient way to allow the migration of service, to be able to put it where it can be provided the most economical way, how would you propose to make it more democratic or more attainable other than what it presently is?



If I could just add on to that, in your presentation you deal with the privatization in a similar vein, that the transfer means privatization. I would ask if there wasn't more chance for the privatization if a service cannot be adequately transferred to the upper level, where the economies of scale could benefit it being provided on the municipal level, that there's more chance that the local municipality would look at privatization, which the present legislation would allow. I was just wondering if you could answer that for me.

**Mr Burke:** I think I have a difficult time answering that question because you want me to assume, very clearly, that public services provided by public employees are not cost-effective, and I don't agree with that.

**Mr Hardeman:** I would point out that I would agree with you that that's not true. In my municipality, where I'd been mayor for a number of years, we in fact checked that out and did a study on it and we went to a publicly operated garbage collection as opposed to the private sector, away from the private sector. So I would agree with you that that's not a prerequisite, but I think it's something that would have to be looked at if that's a possibility.

I was just asking if you had some suggestions on how the transfer or the migration of responsibilities could be achieved better than what the bill provides, recognizing that there is going to be a need for some transfer, migration of responsibilities between an upper and a lower tier. They are both municipal government.

**Mr Burke:** I believe there's legislation under the Municipal Act right now that allows that. I don't think this government has to bring in any legislation to do that. The regional municipality of Sudbury basically most recently went through a waste management study under the existing legislation, and for whatever reason that regional council decided, they decided not to at this point in time assume control of the lower tier's responsibility. So I don't think there's a need for legislation to transfer from upper to local. It's already in place.

1110

**The Vice-Chair (Mr Joseph N. Tascona):** Sorry to interrupt. We're out of time for the government side. To the opposition party.

**Mr Phillips:** I appreciate the presentation. You anticipated the chamber's presentation, I think, on the pension issue, where you said that you expected your friends to be knocking on the door for the same rights.

My question really is around CUPE's understanding of what you think the intent of the bill is. We've heard from other presenters that clearly the government is on a privatization thrust. There's no question of that. The reason we are now seeing the unlimited fees—and they're moving from province-wide support for municipalities to having municipalities charge fees, so they're moving to fees. The public have no opportunity to appeal those fees. You can't go to the OMB to appeal them if they're unfair. You no longer can have a plebescite, a referendum on them. So we're going to see a lot more fees. On the Public Utilities Act, the municipality can sell off the PUC without a referendum with this bill.

We've heard others say that this is stage 1 in the move to privatization, which is that you get a fee on some-

thing—on a rink, on garbage collection, on everything—and then it's far easier to sell it off because you are essentially selling what they call in the business a stream of revenue, and that the real intent in this section of the bill is, as they say, phase 1 of the two phases. Is CUPE of that opinion? If you are of that opinion, how concerned do you think the Legislature should be about that?

**Mr Burke:** I believe this bill is based on an ideology that was put into place in the United States and didn't work, and an ideology that was put into place in Great Britain and didn't work. If you look at those countries, their deficits, when they went to the trickle-down theory, just shot up astronomically.

I think what this bill is about is pandering to big business. I don't want to be misinterpreted or misquoted, because I think there are a lot of good, decent businesses in this province that really and truthfully care for the people of Ontario, but there are a hell of a lot of businesses that really don't care, that just want to make their profits and get the hell out of here. I think that's what this bill is all about. It's pandering for big business.

**Mr Phillips:** On the arbitration, the government will say that this is not unusual. We've studied it. The proposals they have exist nowhere else.

**The Vice-Chair:** I'm sorry to interrupt, Mr Phillips. It's the NDP time.

**Mr Silipo:** You've clearly laid out the way in which you see this bill being one of the tools the government is using to put forward its ideological agenda, which as you clearly described has a number of facets, but certainly one of shifting power and wealth into the hands of a few. Certainly what they're doing now for themselves—in the case of the pension, for example, you pointed out, and the chamber this morning, we'll certainly be seeing requests for that to be applied in the broader public sector and indeed in the private sector. So there's clearly a pattern that's evolving here.

I guess my question to you is, are you seeing already, in your dealings with the employers that you deal with through your locals here, any change in attitude on the part of the employer as it relates to collective bargaining, as it relates to the way in which you deal with resolving any of the ongoing issues and problems that you're dealing with? Is that attitude of the government also trickling down, I guess is what I'm asking, in terms of the kinds of attitudes that municipalities and others are taking vis-à-vis their employees?

**Mr Burke:** It's coming down full thrust, quite frankly. We're entering a phase where we're into negotiations on collective agreements that haven't been negotiated for three years, and with the fiscal pressures put on some of these employers, we are seeing provisions in collective agreements being proposed that will basically tear apart negotiated provisions that have been there for 30 and 40 years. Employers who traditionally have had good relationships with their unions and with their employees are seeing their relationships fall by the wayside, because of what this government is doing, and we'll continue to see that.

I most recently dealt with an employer, where I had to sit down because of this employer's cuts, and it's the Ontario Library Services North: a 37% cut, and 50% of



those employees are gone, some with as much as 20 and 22 years of services are gone out the door. And this is an organization that has worked over the last four years with its union to become fiscally responsible and to keep costs down. What they're being penalized for is being fiscally responsible over the years, because if they had spent money like a drunken sailor, we would be able to save jobs right now, but we can't, because the government has cut them to nothing. This is an organization that deals with providing library services and assistants to libraries throughout all of northern Ontario, which if people don't know is a very large area and deals with first nations libraries etc. There's going to be nothing left at the end of the day.

**The Vice-Chair:** Sorry to interrupt, Mr Burke. Thank you for your presentation, but we're out of time.

**Mr Bartolucci:** Mr Chair, while we are waiting, it's come to my attention that a group this afternoon is going to require the use of a VCR and TV. Can we supply that for the group.

**Mr Gerretsen:** I would hope so. We've got computers here, so surely we can—

**The Vice-Chair:** Excuse me. The next presenter is ready to commence.

**Mr Bartolucci:** Just before that, Mr Chairman, I want a commitment that if the hotel doesn't have them, you will ensure that this group has the right to present a video?

**The Vice-Chair:** I can't say that at this time. I'll make the inquiries, but at this time we have a presenter who'd like to use the time for her presentation.

**Mr Bartolucci:** I will follow up after this presentation.

**The Vice-Chair:** That would be nice.

#### NORTHWATCH

**The Vice-Chair:** Our next presenter is Northwatch; Brennain Loyd. Welcome to the hearings.

**Ms Brennain Loyd:** Thank you. I'll just take a moment. My name is Brennain Loyd. I work with Northwatch. We're a coalition of environmental groups across northeastern Ontario, and I'm going to try to focus on some of the key areas of concern we have with respect to this bill.

Given its size, we certainly won't be able to have a thorough discussion. We haven't had time ourselves to give it a thorough review, and certainly the time allowed today or the time allowed since the bill's introduction hasn't allowed for the kind of thorough discussion this number of pieces of legislation would require.

I want to do four things. I'd like to provide some kind of context or background for our comments. I'd also like to describe the context in terms of environmental law and its development in this province. I'd like to identify and very briefly discuss the character of this bill, what we see as running and riding through this bill, and then comment on just a few of the many areas of the bill that have provoked our concern as well as the concern of so many others.

I hope to do this very briefly because I do believe in allowing time for discussion. Perhaps that's not a belief that's shared by all, but we believe discussion is very

important. We regret we have so little time today, but we will endeavour to save some for that.

Northwatch is a coalition of community-based environmental groups in northeastern Ontario. We were formed in 1988 out of two different networks of groups, environmental groups and peace and social justice groups, because we saw in our region a need for a regional voice. There are many environmental and resource management issues that affect us at a regional level, and for that reason we created a coalition. As a coalition we endeavour to provide both that regional voice and some support and information services to community groups as well as to the communities within our region.

#### 1120

We work primarily in the issues of energy, forest management, waste management, water quality, mining and militarism. We have since 1988 participated in a large number of both provincial and federal initiatives, reviews, assessments and tribunals. Part of the impetus through which we were created was the timber class EA, which is now over, and the federal high-level nuclear waste review, which is now upon us, and myriad other issues that affect our region that we provide a regional voice to. We do that by participating in hearings such as this, tribunals, planning processes.

As elected representatives, you are perhaps more likely to hear us or hear of us through those processes, but we also do the work across the region that develops that regional voice: quarterly meetings, a regional decision-making body, a news service, a resource centre, several working groups, a mobile environmental resource centre and lots and lots of meetings. We work with our first nations, our labour and our community neighbours, partners and friends on many of our concerns and share many concerns with them with respect to this bill. Our mandate is to advocate incorporation of environmental considerations into all aspects of social, economic and resource management decisions.

I want to speak very briefly about the context in which environmental law has developed. With environmental law, I think we have developed not solely in the area of environmental law but in public policy development in general. We have developed both a practice and an expectation of public participation. Some might call it democracy. We have—or had—a democratic process in Ontario, and it's one which we as Ontarians value and expect to continue. Environmental law in this province has really developed over the last 25 years. It has developed somewhat slowly but quite consistently, I would say, since the late 1960s or the early 1970s.

What we see now is the promise or the threat of a set of rollbacks of environmental law like we have not seen before. We're moving from a process where environmental law was developing over the years, to where we now have a pendulum. I'd just like to say to this committee that if this government insists on creating a pendulum, a pendulum you will have, and a pendulum swings. If, instead of continuing to move forward environmental and workplace regulation, you seek to move backwards, if you seek to create that pendulum, a pendulum you will have, and in five years time it will swing and it will swing with effect and I trust it will swing with force. I



would strongly advise that we not create a pendulum, that we continue with a forward motion.

With respect to the character of this bill, there are three things we note. I would describe in terms of trends, but I hope this is not a trend; I'll call it the character. One is the concentration of power, the concentration or transfer of power. We see this throughout the bill, and I might be able to provide a couple of examples of these three characteristics I'm going to identify.

We see concentration or transfer of power in the permitting process, which I am mostly familiar with in the Public Lands Act discussion, where we see permitting removed from the act into the regulations. That's for fire permits, land use permits and so on. What that's doing is moving power from the Legislature to the cabinet table, moving power from the act to the regulation, and that is a concentration of power.

We also see an example in section M, item 33, the waiving of the need of assent of electors to structure or restructure the public utilities commission. That is the removing of democracy, that is a transfer and concentration of power away from the electorate to the municipal government, to the provincial government, to the cabinet. It's a concentration of power; it is anti-democratic in nature.

We're also seeing a second trend or a second characteristic that this bill perhaps both promises and evidences, and that's decision without discussion. We have a tradition of public participation in public policy development, and this bill is attempting to erase that, with some other initiatives of this government as well. This bill is the first example. We saw it introduced in the House without advance discussion, without warning. We saw the struggle for us, as members of the public, to even have the opportunity to speak to the bill. Throughout the bill itself there are many examples of concentration of power and many examples of where decisions are going to be made without discussion.

We also believe we see within this bill an intent to favour the private interest over the public interest. I will call that an "intent" to favour the private over the public interest because I do not believe that in the long run it will actually favour the private interest over the public interest. It's things like, again, dropping the requirements for permits, and a number of changes we see in the Mining Act, which I'll discuss in a few moments. I believe those are the government's intent to provide favour but, as we'll discuss in a few minutes, I think it's a misguided effort, a misguided intent.

Those are three characteristics of the bill, and they're all alarming ones. They're all ones the government should be ashamed of and they're all ones the public is appalled by.

I'm going to walk through the bill, and only some sections of the bill, given the time constraints we're operating under.

The first one I want to comment on, and I'll do that very briefly, is section K, the freedom of information. What we see in section K under the changes to the Freedom of Information and Protection of Privacy Act is a move to absolute discretion in the provision of information. We see absolute discretion being given to the head

of agencies and we see no definition of "frivolous or vexatious."

I think the government does not have a case for the changes it is proposing here. If they do have a case, they failed to make it. I simply don't accept that they have a plausible argument. I do know that we have a very plausible argument for why the changes should not be made: It's going to make information less accessible, less available and absolutely discretionary in its provision.

We have some limited experience with this bill, and I think that fact speaks to the fact that the bill has not been abused in the past. I think we have used it on only one occasion, and we paid a fee for that use of some \$19. We were able to do that and it seemed reasonable given the amount of information we were provided. We would have had the opportunity to ask that it be waived had we not been able to pay, but we were able. The information that was provided to us in that instance, with respect to the hydro-electric development in the Moose River basin, was very helpful to us in our discussions both within the region with Ontario Hydro and with the Minister of Environment and Energy at that time. It was a useful exercise and it absolutely should be available to us. We have real concerns that with these changes it will no longer be available to us.

The next section we'd like to comment on is section N with respect to the Public Lands Act. As a regional organization concerned with resource management and land use issues, we have a fair history of participation and experience with the Public Lands Act and activities regulated under it and activities that take place on the public land. We're an intervenor in the class environmental assessment for timber management, we've participated in MNR planning processes, I was chair of the old-growth initiative that developed the policy for old-growth conservation in this province, and we participate locally in timber management plans across the region either as Northwatch or as members of Northwatch. So we have a lot of experience.

I also have some experience working in MNR district offices, a limited one, but I have some experience and some insight into some of the difficulties in those offices. When we see the changes in the Public Lands Act basically to remove the requirement for permits or to move to transfer the requirement for permits from the act into the regulations into some kind of who-knows land—we haven't seen those regulations. We don't know if the regulations have been prepared. We don't know if the regulations will be in effect prior to the bill coming into effect. And if the regulations are not in effect prior to the bill coming into effect, what situation will that create and what situation are we going to be left with, given the expected deficiencies of the regulations?

What we think we'll see is chaos. We'll see chaos in the woods, we'll see chaos in the planning process, and ultimately we'll see a degradation of natural and resource values. We'll see a diminishment of public participation and we'll see a diminishment of natural values. I think that what we'll see is an increase in the level of conflict around land use and land uses and land values of the very nature that we seek to avoid. I believe we seek to avoid those as public interest groups. I would like to believe



that the government would seek to avoid those, as the responsible regulator. I have full confidence that industry and the ministry, the district offices, seek to avoid those kinds of conflict. I think, with the changes that we're seeing under the Public Lands Act, this government is promising us conflict. It's conflict we don't want. We would implore you to not impose it upon us. Nevertheless, that appears to be the course the government is intent on taking.

1130

The third section that I want to comment on specifically is schedule O with respect to the amendments to the Mining Act. There are three areas of these amendments that we find particularly troubling. Those are with respect to the closure plans, with respect to the financial assurances and with respect to the exit ticket. Again, we have some experience in this discussion. Like most members of the public, we have less experience, I would say, than we do in the area of forest management or other resource management issues. I think it's a developing discussion.

In the last seven years we have seen very positive developments in that discussion. We've seen it with the issuing of the green paper in 1988-89, with the changes to the Mining Act in 1991, with the Whitehorse mining initiative in 1993-94. We've seen very positive developments in this discussion, very positive developments in the relationships between industry, government, aboriginal people, labour and environmental organizations, and we've seen very positive developments in our ability as a variety of stakeholders, users and governors, to resolve difficulties and differences.

What we see in schedule O with respect to the Mining Act is again a reversal of that progress we have made, a reversal of those very positive developments.

With respect to the closure plan, our concerns are that we just don't buy the term "self-regulation." We don't buy the fact that having a professional engineer's stamp on a closure plan without not only the requirement but without the ability of the Ministry of Northern Development and Mines to review those plans—it's simply not acceptable. It's not reasonable and it's not workable. It may appear workable in the very short term. As our temporal skills get longer, the longer a time frame you want to consider that within, the less workable it will be. So the very suggestion that closure plans are to be submitted without the requirement for MNDM scrutiny, and having removed the ability of MNDM to provide that scrutiny, it boggles the mind how this could be called regulation or governance.

We took a long time to get to the point where we had closure plans required, where we had a set of rules developed in terms of how those closure plans must be completed. What we hear from the mining industry and what we've heard from it for years, and I'm sure it's what you as elected officials have heard, is that what the mining industry wants is certainty. They say, "We can live with the rules; we just need to know what the rules are." Well, we have spent years developing the rules. We had a set of rules and now they're gone. It makes no sense. So the first concern we have is the removal of the requirement for closure plans.

The second concern we have is with respect to the so-called self-assurance. Even the caption sounds silly. It sort of suggests that if you get up in the morning and you're feeling self-assured, you're a good mining company. If you get up in the morning and you're not feeling so confident, you're a bad mining company. Self-assurance: what does that mean? It looks like it means that no certainty is required from the mining industries. They've been telling us for years they want certainty, but they're not going to be required to provide certainty. That's certainty with respect to their ability to meet their responsibilities, to rehabilitate and reclaim land, public land that they have used for their benefit; some benefit to the province, certainly, but to their benefit.

It's the cost of doing business to rehabilitate the lands the mining companies have used, and it's the cost of doing business to provide adequate financial assurances that you're able to do that. Simply saying there has to be compliance with a corporate financial test in a prescribed manner—who knows what that means? I don't know what that means, but I don't think it means anything very solid, very certain or very good for the people or the lands or the waters of northern Ontario, or of this province more generally.

The third area we have concern with respect to is that of the exit tickets. That's described under the surrender of lands, sections 149 and on of schedule O. This is an even greater problem, given that we have no reason to believe the closure plan is actually going to give us, the public, those who have concerns about the standard of care for the lands and the waters of this region—there's no test there to say that the closure plans are going to adequately require the rehabilitation and remediation of that site.

Then we get to section 149 in this bill, where it talks about surrender of lands. What it tells us is that if a site is rehabilitated in accordance with a filed closure plan, it's okay. That's an exit ticket, you can walk away from that.

There are a number of problems with that. One, we don't have any cause for confidence in the closure plans and, two, these sites need long-term institutional controls and care. That's the norm, and that's particularly the norm, given the approach that is usually employed in Ontario with respect to closure, or which the mining industries in Ontario favour with respect to closure.

I'll just describe briefly two approaches that are generally taken in North America. One is management through flooding and one is management through dry cover. In Ontario, and in Canada more generally, companies prefer flooding, and this is in respect primarily to acid mine drainage. Companies generally prefer to flood. If you flood a tailings area, you need long-term institutional controls, you need long-term maintenance monitoring controls. That is virtually into perpetuity. As long as the site is acid mine generating, there needs to be those kinds of institutional controls.

If Ontario wants to follow the US example and require multibarrier dry covers, it might be a different discussion. I haven't seen any indication in Ontario, or even in Canada, that regulators are prepared to go that route. If you're prepared to go that route, we might be interested.



We think that's a surer way to go, but we don't see any indications.

So what we have is a walkaway from a site that is not securely remediated and we are left ultimately with the public lands to bear the cost in terms of environmental degradation, or the public purse to bear the cost in terms of remediation, cleanup and so on. I think that while most of the sites in northern Ontario—we have about 2,000 abandoned sites—are left unremediated and it is not an expense to the public purse, instead it's an expense to the public lands and waters. In some cases, such as the Matachewan dam—you might remember in 1990 when that dam broke—that was in the neighbourhood of \$2 million or \$3 million for the cleanup of one site. So multiply that. You'll find it very expensive, and I just do not believe that's an expense that should be borne at the public purse.

I'll just close by saying there are a number of inconsistencies within this bill, and there is inconsistency about this bill. There are inconsistencies within the bill, there are inconsistencies between this bill and the government's supposed agenda, its supposed mandate, and there are inconsistencies between this bill and Ontario's place in the national and international arena, the place that Ontario has developed, again over years and years of discussion and policy development.

1140

The inconsistencies within the bill: I'll give an example within the conservation authorities where within this bill government assumes greater power over conservation authorities but, at the same time, less involvement. There are going to be no provincial appointees. In the past, there have been provincial appointees to the conservation authorities, and we've seen this as a positive thing.

We're very committed to local decision-making. We're very committed to local people being involved in making the decisions and developing the course for their area's future, but we've always supported there being provincial appointees to the conservation authority under whatever government because we think there is a provincial interest and a public interest that warrants representation.

I think the inconsistency that exists between this bill and the government's so-called mandate—and I don't accept that the government has the mandate that it has frequently in the last six months claimed to have through the so-called Common Sense Revolution and the issuing of that booklet. I don't think that gives it the mandate to do the things it has done. Certainly it didn't give them that mandate in terms of a majority at the polling booth. But I think this government would generally describe its *raison d'être* to be fiscal responsibility, and when we look at this bill, we don't see fiscal responsibility. We see tax giveaways to the mining companies. We see the public assuming fiscal liability and fiscal responsibilities for sites which should be the responsibility of private industry. We just see example after example of fiscal irresponsibility.

And when we look at this bill and we compare it to the position that Ontario has taken nationally and internationally, again we see huge inconsistencies and again we'll offer as an example the inconsistencies with respect to the mining sector.

The mining industry, government, aboriginal people, labour and environmental organizations have been working together over the last few years at least, and I would say longer than that, and one of the products of that working together has been the Whitehorse mining initiative. In the Whitehorse mining initiative, Ontario, as well as the other stakeholders, as well as the other governments and as well as my own organization, made commitments. Among the commitments that we made were to things like public decision-making, to closure plans, to environmental assessment, to completing the network of protected areas and so on.

There is a set of commitments that Ontario has made, and if Ontario does not want to keep those commitments, I would suggest that Ontario should say so very clearly. I would say you are saying so; Ontario is saying so through this legislation. But I'd like it in a letter. I'd like the Minister of Northern Development and Mines and the Premier of this province to write me a letter and say, "We didn't mean any of the things that Ontario signed on to in the Whitehorse mining initiative."

When you do that, then you'll be showing that you are going against the will of not only the people of Ontario but also the mining industry, the government of Canada, the aboriginal people, the environmental organizations and the labour organizations in this province. But if that's what you mean to do, that's what you should do. You should just say it.

**The Chair:** Unfortunately, we have very little time, less than a minutes for each caucus to respond.

**Mr Michael A. Brown (Algoma-Manitoulin):** Welcome to the committee. You represent a group that's well known and significant across northern Ontario.

I want to indicate to you, especially with regard to the mining changes proposed in this act, that you're not the only group that is asking the same questions—and basically it's about asking questions. Yesterday in Timmins, the Ontario Prospectors Association expressed strong concerns that they didn't understand what this legislation meant and what the implications would be to them and how they were to proceed under this legislation. They decried the lack of the public ability to participate in the process.

We also have a letter from consulting geologists here saying exactly the same thing: "We don't understand. We don't know whether this will be bad, good, whatever." They haven't really been able to make that judgement call on the basis that the information around this bill, the regulations, are unseen, unknown and it's totally antithetical to the way the Mining Act of 1989 through 1991 was developed. Have you been talking to the—

**The Chair:** Mr Brown, I'm afraid you're going to have to leave that as a statement. I apologize.

**Mr Michael Brown:** Oh, all right. I was a little long-winded.

**Ms Loyd:** I have had some discussion with them, and I agree with you. I think we have many common interests and many common concerns with industry, with the Prospectors and Developers Association of Canada, with the labour organizations. We've developed a common understanding; we've worked hard to do that, and when I say "we" I mean all of those sectors. We've worked



hard to develop that common understanding and an appreciation of others' concerns. I've had some limited chance to discuss it with them since this bill's release and yes, I agree that these concerns are common.

**The Chair:** Mr Martin, please.

**Mr Tony Martin (Sault Ste Marie):** You've certainly struck a chord in me this morning with your presentation. It reminded me of the fragility of the north and of the need to integrate the economy with environmental concerns, with social concerns and for all of us to be working together and how in this bill, for all intents and purposes, most of that has now been removed.

Is there any amendment of any sort that would in any way go a distance to allaying your fears and concerns and anxiety, as the group you represent, re this bill that we could bring forward?

**Ms Loyd:** Can this omnibus bill—

**Mr Martin:** Be amended?

**Ms Loyd:** No. What could make the discussion a workable one is to split it out and to look at it section by section, have a discussion and see if there's a need for change or not. This bill contains everything from soup to nuts plus. There's one section in here about giving municipalities—

**Mr Michael Brown:** More nuts.

**Ms Loyd:** Yes, more nuts, that's for sure. Here we go, bylaws on bands. "Bylaws may be passed by the council of a local municipality regulating or prohibiting the playing of bands and of musical instruments on any highway, park or public place." What are they talking about? What is this bill about? I can't play my recorder in the park, or mining companies aren't going to be regulated?

**The Chair:** Sorry to interrupt, but we have limited time for questions. Mr Sampson.

**Mr Sampson:** Thank you very much for your presentation. I noted your concern, that in your view this bill was concentrating power in the hands of the minister, yet there are some sections of schedule O that I thought, in passing authority to a minister, would have helped the issue with respect to the environmental concerns. As it relates to emergency powers, he's granted even extreme emergency powers to enter property without warrant to be able to deal with environmental concerns that are developing, let alone that have happened. I would have thought that you would have thought that would be a positive focus towards dealing with the environment.

Yesterday, by the way, we had a deputant come to the table and say, "Listen, you know, as it deals with environment, now there are environmental groups, there are union groups, the industry is dealing with it etc, and now with this act you're bringing in yet another constituent and that's the financiers of projects." They said to us, "Listen, this act will make financiers responsible for environmental issues and concerns that are raised as a result of a project development."

I would have thought you would have thought that would have been a positive step towards making access to available money in the event that there was an environmental concern where money had to be spent.

**The Chair:** Mr Sampson, I apologize. I'm going to have to cut you off. We only have a short time allowed for statements and questions.

I'd like to thank you for coming forward this morning and making your presentation to the committee.

1150

## INCO LTD

**The Chair:** May I please have representatives from Inco Ltd come forward.

Good morning, gentlemen, and welcome to the standing committee on general government. You'll have half an hour this morning to make a presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if at the beginning of your presentation you take some time to introduce yourselves for the benefit of committee members and Hansard.

**Dr Larry Banbury:** Thank you very much. I will begin by introducing the three people here today representing Inco. First of all, my name is Larry Banbury; I am manager of safety-health environment for the Ontario division. On my right is Marty Puro; he is superintendent of reclamation and decommissioning, with primary responsibility for mine closure planning in the Ontario division. On my left is Brian Randa; he's land administrator for our exploration department. All of us are employed by Inco here in Sudbury.

Inco Ltd is pleased to have the opportunity to comment on Bill 26, the Savings and Restructuring Act, 1995. In the following brief we will restrict our comments to schedule O of the bill that deals with amendments to the Mining Act, specifically the issues of environmental protection and map-staking. I will be speaking to the issues of environmental protection, and when I am finished Brian Randa will speak to the exploration issues, particularly map-staking.

In light of the concerns expressed regarding environmental protection, it must be emphasized that Bill 26 does not contain any amendments to any environmental legislation. Consequently, the requirements for certificates of approval, the prime instrument of the Ministry of Environment and Energy for regulating mines, remain unchanged.

It must also be emphasized that the proposed amendments do not reduce or eliminate any legislated environmental or engineering requirements for the rehabilitation and closure of mines. Government engineering standards for mine closures in Ontario are as stringent as, if not more so than, anywhere else in the world. These guidelines are not in any way changed by the proposed legislation. In fact, the existing act and the proposed amendments will still require mining companies to undertake progressive rehabilitation.

Closure plans will not be compromised and will be reviewable by the Ministry of Northern Development and Mines. Under the present act and the proposed amendments, section 141 requires that the proponent of a mine development submit a closure plan to the MNDM. In addition, the proposed amendments for section 141 require that closure plans be certified in a prescribed form and manner such that the plan complies with all existing requirements and standards.



Where a company wishes to have a closure plan approved by the MNDM, the amended section 142 provides a proponent with the option to submit a proposed closure plan in the prescribed form and manner to the director for approval. In such cases, subsection 142(4) requires the proponent to "pay in advance the amount estimated by the director to be required for considering the closure plan...for approval." It should also be pointed out that subsection 142(2) and subsection 143(3) provide the director with the authority to require changes to an approved or filed closure plan or amendments to such closure plans.

Financial assurance will still be required and a company cannot avoid the financial assurance requirement. The proposed amendments to section 145 not only describe the requirement for financial assurance but also broaden the number of possible financial instruments available to the proponent. Section 145 still requires that the form of financial assurance must be acceptable to the director.

Clearly, the MNDM retains the authority and discretion to review and approve closure plans and the adequacy of financial assurance. The proposed amendments add an additional level of confidence in that a certified closure plan must be certified by a corporate officer, professional engineer and possibly a chartered accountant. These signatures attest that the plan meets the design requirements of legislation and the MNDM guidelines and that the proponent is capable of providing a specified financial assurance. Otherwise, if the requirements are not met, the officers and professional engineer may expose themselves to personal liability. Consequently, the effect of these changes requires the company to be more accountable and responsible than under the present act.

Environmental problems were created by old mining operations in the past, which is why the act was amended by the last government. These situations are from an era when society was not as environmentally aware as today and legislation did not require closure plans and financial assurance from mining companies. As a result, mines and other industrial processes were shut down previously according to the laws and requirements of the day.

It is not in the best interests of society or mining companies for mines to be operated irresponsibly and subsequently shut down. Conversely, it is in the best interests of mining companies to operate responsibly under the laws and regulations and guidelines of the day as society, through its governments, has decreed necessary.

Mining companies have undertaken several measures designed to minimize environmental impacts. For example, the mining industry, along with the federal government and some provincial governments, has undertaken a project called mine environment neutral drainage program. The MEND program began some six years ago, at a cost to the participants of more than \$18 million, to try to arrive at new and innovate methods of dealing with mine waste. The MEND program has been successful in increasing environmental protection.

Furthermore, at the national level the Mining Association of Canada has developed an environmental policy for its members. In Ontario, the Ontario Mining Association has also developed a similar environmental state-

ment for its members. As well, Inco and all major mining companies have their own published environmental policy.

Mining activities produce approximately \$5 billion in annual revenue in Ontario. Mining supports some 50 communities and employs more than 70,000 people directly and indirectly in both northern and southern Ontario. Consequently, it is in the best interests of all parties to maintain a healthy mining industry in the province.

I will now ask Brian Randa to speak on map-staking.

**Mr Brian Randa:** I'll address the map-staking issue as a proposal to be implemented in Ontario. The following is a review of areas where changes and/or streamlining can be proposed to the Ontario government to correct administrative problems that have been a persistent frustration since the Ontario Mining Act was changed in 1991. The problems deal mainly with claim acquisition, assessment work reporting and claim maintenance procedures, which require a great deal of administration by both government and industry to maintain claims in good standing.

Historically, the Ontario Mining Act has been the model that other provincial jurisdictions look to for leadership, and in some cases other countries. However, with the complex nature of maintaining mining rights in Ontario, we now see very clearly that other jurisdictions have developed better and more simplified ways to acquire and maintain mining rights, such as the system in Newfoundland, where map-staking and very simple assessment work filing procedures are in existence. These are measures which should be considered by the Ontario government for incorporation into the Mining Act.

The issue of map-staking is not new. In consultation with the government, prior to the changes made to the Mining Act in 1991, map-staking was proposed. However, at the time there was no political mandate for a change of this magnitude and the proposal was only supported by a few major companies. But now, with the mandate to streamline government operations, we expect our proposal to receive broad support.

Recently, the industry has witnessed the Voisey Bay claim rush, where all claims were acquired by the map-staking method and considerable insight was gained into the procedure of map-staking in Labrador. In the 11 months after the discovery at Voisey Bay was announced, there were 255,000 25-hectare claims staked by the map-staking method. This is an area equivalent to nine times the land area staked in Ontario during the same period, and 2.5 times the land area now covered by all the active claims held in Ontario.

The processing and recording of the Labrador claims was administered by a staff of generally three to four people, and up to a maximum of seven people during the height of the claim rush. To date, there have been no boundary disputes or grievances of any kind. The only problem reported was the requirement for the public queuing to submit applications, as the government was not prepared for the large volume of applications in the recording office. However, this problem was rectified with a revised set of procedure guidelines. In comparison, during the Hemlo rush in 1982, 16,000 16-hectare claims



were groundstaked, the staff in the recording office tripled to 12 people and claim disputes resulted in litigation. Under the map-staking system, disputes and conflicts would virtually disappear.

The merits of map-staking are further demonstrated by the 1992 staking rush for diamonds in the Northwest Territories, where there were 12,000 square miles of ground staked at an approximate cost of \$15 million. The industry and the country would have been better served to have spent most of this money in exploring the ground rather than using financial resources to stake claims manually in the field which could have easily been acquired in an office via the map-staking method.

These statistics demonstrate how overburdened the Ontario system is with administrative details in the acquisition stage. Claims maintenance procedures have always been burdensome, even with the introduction of computerized maintenance of claims by the government. During a staking rush, these statistics also suggest a larger participation by both large and small organizations, thereby creating more revenue and more assessment work than the present system, which is very labour-intensive to run. The benefit of implementing map-staking will be more revenue and less cost to administer, which would meet the government's objective of downsizing.

1200

The benefits to the mining industry of implementing a map-staking system are realized immediately in that it would provide a secure land title with low upfront costs. Inexpensive and accurate global positioning systems are now available to locate easily and accurately map-staked claim boundaries in the field. This was not the case only a few years ago. The discontinuation of groundstaking would also eliminate the destruction of many trees, especially in those areas where the surface rights are privately controlled. The current process of land entry presents a system which alienates private surface rights holders.

The argument that the little guy is left behind is not supported. There are numerous examples in Newfoundland of prospectors profiting from optioning and selling mining claims acquired in the Labrador claim rush. Regulation and procedures can be structured to accommodate all competing parties in the map-staking acquisition system.

It is our opinion that the opportunity to effect a major change in Ontario has presented itself, and the statistics from the Labrador rush dramatically demonstrate that map-staking has very definite advantages for all stakeholders. The provinces of Newfoundland and Labrador, Nova Scotia, Alberta and a small portion of Quebec have implemented map-staking, and the Ministry of Natural Resources in Quebec has stated that it plans to implement map-staking across the entire province, mainly because of cost saving.

Regardless of whether the acquisition process is altered in Ontario, a more simplistic approach to assessment work reporting and claim maintenance procedures should be adopted to eliminate much of the unnecessary paper that flows between the recording offices and claim holders, thereby dramatically reducing much of the administrative detail at both ends. The assessment work

approvals process should be fully centralized within the mining lands geotechnical approvals section in Sudbury, rather than some approvals being processed in the recording offices and others in the geotechnical approvals section.

In summary, the reasons for the implementation of map-staking are: administrative simplification; ground-staking is too costly for both government and industry; dollars spent groundstaking can be spent on exploration; it eliminates claim boundary fabric disputes; it reduces damage to trees and the environment; it eliminates alienation of private surface rights holders; more revenue for government; less administration and cost for government and industry.

**Ms Martel:** My concern around the industry self-regulating is that I don't think the public's going to buy it at the end of the day and I think the mining companies in the province have a problem because of that. I say that for two reasons.

First, I know that the industry right across Canada has spent at least two years now on a campaign called Keep Mining in Canada, which, among a number of other things, tries to make it clear to the public that companies do operate in an environmentally safe and sound way. You've had to do that because there are a lot of people who would prefer that mining be a sunset industry. I supported that campaign because I believe in the importance of this industry.

Second, we already know that in the province there are over 7,000 abandoned sites that require some work, in some cases not a lot, but other cases are a potential danger to the health and safety of the province and also the environment in the province.

People are very concerned that if you move to a self-regulating proposal the number of sites in the province that will end up being abandoned, that will end up being a cost to the taxpayer, is just going to grow. There's a public perception problem around self-regulation, because in this industry there are some bad apples who will always try to avoid any kind of responsibility, and they make a bad name for everyone else.

I want to ask you again, did your industry lobby for these changes with the provincial government? Are you not concerned that the concern I have around public perception and the public view around self-regulation will not be one that comes to pass?

**Mr Marty Puro:** The need for closure plans does not change for active operations. We, within industry, have taken responsibility for abandoned sites that—we shouldn't even call them abandoned. They're orphaned sites, abandoned sites which we recognize and accept full responsibility for. We have ongoing programs that will rehabilitate those sites. We have been doing it since the inception of this legislation, and we have an active program to continue. There is nothing in this legislation that absolves us of that responsibility. It's the same as it was. In fact, now there is an additional clause within the Mining Act that requires that a closure report be submitted to the ministry when we are ready to turn that abandoned site back over to the province.

**Ms Martel:** Let me clarify. There are 7,000 sites in the province that the crown now has responsibility for



that used to belong to a mining company. That company has gone bankrupt or is defunct, no longer exists. That land reverts to the crown, and now the crown and the taxpayers have the liability. I understand those. I understand Inco also has some sites, and under closure plans in the Mining Act you have to look after your own sites. I'm concerned about the 7,000 that the taxpayers of the province of Ontario are now responsible for and whether that number of sites will grow if the industry becomes self-regulating.

Yes, the ministry can still look at closure plans, but the problem is that the ministry staff—and there used to be 19 people who did it—has now been gutted under this government; there are only four left. They're not in a position to deal with all the closure plans that are going to come forward from companies which already operate and companies which might want to get a permit to open up new operations in the province.

How are you going to convince the public that all the requirements are being met, that the bad apples will be caught and that the companies in the province which do want to operate in a responsible way won't have their names tarnished by other groups which don't care about operating in a responsible way?

**Mr Puro:** The 7,000 sites you allude to aren't going to go away, you're absolutely right. But under the old legislation we did not have responsibility for those 7,000 sites to begin with. Nothing has changed within this Mining Act except that the closure plans become more of a self-regulating facet and there's more flexibility in the financial assurance part of it. But the 7,000 abandoned sites the province currently has a responsibility for are not addressed either in the old legislation or in the new legislation. There should be no reason to increase the liability.

**Mr Sampson:** To follow up on that, those 7,000 sites are probably there because at the time they were being developed, it's probably fair to say we didn't have the same environmental focus that we do now or that we may have going forward. That brings me to my next question.

The flexibility with respect to self-assurance essentially says and tries to deal with the fact that mine development, developing a mine, running your businesses, is a very difficult thing to gauge year over year or 10 years over 10 years, let alone day over day, and the money required to deal with mine closures, environmental issues as they result from the activity of mine development, changes as people get more environmentally concerned or less environmentally concerned or as technology changes.

1210

Wouldn't it make sense to you that we should be proposing in the legislation, as we have, financial assurance language that would deal with the fact that companies' balance sheets change from day to day, their ability to support their activities changes from day to day, the requirements of a closure plan change from day to day and the environmental aspects related to the actual development of a mine change from day to day? Doesn't the flexibility that we've built into this legislation deal with the realities of your business?

**Mr Puro:** Very much so. The issue of financial assurance has not gone away. It provides that the director has

the ability to assess the financial strength of an organization and accept the tool that best suits the situation.

**Mr Sampson:** And, probably more important, reassess. This is not something that's done today and sealed in the vault for the rest of eternity.

**Mr Puro:** This is exactly right. The reporting process and the verification of the financial strength of an organization to deal with the issue of closure will require that it be reported with a frequency satisfactory to the director, and that may be quarterly, annually, semi-annually, virtually daily if he so requires. He has the flexibility, and we have the need to provide the financial assurance.

**Mr Sampson:** I appreciate your submission with respect to map-staking. I take it this is an encouragement for an amendment that would actually consist of a whole new section to the act. That's something we might want to put off to another time or another review process.

**Mr Gerretsen:** Another omnibus bill.

**Mr Sampson:** I thought I'd better get that on the table before my colleagues took a stab at it. But they already did anyway, so I didn't do much to beat them.

**Mr Bartolucci:** I'd like to follow up a comment Shelley made. The response troubles me. You say there's just a little change to self-regulation. We in Sudbury certainly, we who may not be as expert as you, are very concerned that the self-regulation aspect of this may have repercussions that will increase the 7,000 orphaned sites we see around the province now.

Having said that, I understand that Ontario is a very important mining jurisdiction. Conversely, I understand that mining is a very important industry in the province of Ontario. So it's important that when we make changes, we get it right. So many other industries in Ontario have been shut out of the process. Were you asked for your input before this legislation came out?

**Mr Puro:** We have had significant discussions with the MNDM on reviewing the guidelines for closure that we are all working to. Those guidelines have not changed. The point we have been trying to make over the years is that effectively, with our engineers preparing a closure plan and ministry engineers approving that plan, we were getting really into a situation where it was virtually, "Your engineers are better than my engineers," yet we were all working to the same guidelines, we were working to the same requirements and preparing a plan that met those guidelines. If we can assure that we are meeting it, we're avoiding duplication of the technical studies related to closure.

**Mr Bartolucci:** With regard to schedule O in particular, were you asked for input before Bill 26 was released?

**Mr Puro:** I don't think it's a specific request. It's been a culmination of ongoing discussions with the ministry personnel over the years as we have been dealing with interpretations of the regulations and the guidelines. I think it was more of a mutual consensus that it probably made more sense to go in that direction, because the requirements do not change.

**Mr Banbury:** I would also say that discussions took place on the previous amendment to the bill with the government of the day. It's an ongoing consultation between industries and government.



**Mr Bartolucci:** There seems to be a whole lot of confusion. Certainly the prospectors last day in Timmins were not clear; the environmentalist who was here today wasn't clear. Do you not agree with the firm of Watts, Griffis and McOuat that we're going too quickly with this and we need more time to provide clarification of very complex issues?

**Mr Puro:** No, we don't. Certainly we have a concern with the follow-up stage of how the regulations will interpret the Mining Act, but the confusion is perhaps coming from the fact that within the act it alludes to "certified closure plans" and to "submitted closure plans." I suspect it's a communications problem as opposed to a need for consultation and change. I think it's a matter of reading it and having it interpreted by the ministry itself. Once that is done, I think people will realize what it says.

**The Chair:** Gentlemen, I'd like to thank you for coming forward today and making your presentation to the committee.

Committee members, before we break, those who are travelling please take your luggage to the front desk—that will be the holding room—and please clean up your room incidentals while you're there. I've noticed that no one has taken off their jacket, so I'm going to turn up the heat and close the doors and hopefully we can warm things up in here for the afternoon. Thank you. Be back at 1 o'clock.

*The subcommittee recessed from 1216 to 1300.*

#### SUDBURY PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Chair:** Good afternoon. May I please have a representative from the Sudbury Professional Fire Fighters Association come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour today to make a presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and response from the three caucuses. I'd appreciate if, for the benefit of Hansard and the committee members, you'd take some time at the start of your presentation to introduce yourselves. I understand we will see a little bit of a tape at some point in the presentation.

**Mr Marc Leduc:** Yes, we will.

**The Chair:** Okay.

**Mr Leduc:** My name is Marc Leduc, and with me is Mike O'Reilly. Mr O'Reilly is a professional firefighter from the city of Sudbury. He is the president of the Sudbury Professional Fire Fighters Association, which represents 104 members. I am also employed as a professional firefighter in the city of Sudbury. Both Mr O'Reilly and I will answer questions from the committee at the end of our presentation.

As well as being a member of the Sudbury Professional Fire Fighters Association, I am also a district vice-president with the Ontario Professional Fire Fighters Association. My district includes local firefighter associations in the communities of Elliot Lake, Sault Ste Marie, Sturgeon Falls, Kirkland Lake, Kapuskasing and Timmins as well as Sudbury. We also have representatives here today from North Bay and Valley East.

We are here today to state our opposition to Bill 26. This bill goes far beyond merely enacting the provisions of the Treasurer's economic statement of November 29, 1995. The bill contains 17 schedules which significantly affect some 46 Ontario laws.

The bill gives cabinet unprecedented powers to close hospitals, cut off hospital funding, merge municipal governments, tell doctors where to practise medicine, remove price control on prescription drugs, cut pay equity payments and reduce the rights citizens have to request information about government activities. Decisions affecting the delivery of public services and the operation of public institutions could be made without parliamentary debate or meaningful opportunity for public scrutiny and without community, local or stakeholder input.

The bill authorizes cabinet or ministers to do away with contractual rights and obligations contained in existing agreements. The bill would empower cabinet or ministers to make regulations or to issue directions overriding the provisions of any contractual agreements and even overriding or providing exemptions from the provisions of other legislation. The bill also purports to reverse or render of no effect certain decisions already made by courts or tribunals under existing legislation and agreements and to insulate the government against liability arising from future court or tribunal decisions.

We are mostly concerned with two specific areas of Bill 26 that would have a direct impact on firefighters in the province of Ontario. They are schedule Q, which includes amendments to various statutes with respect to interest arbitration, and schedule M, which deals with the Municipal Act and related amendments.

This bill would amend legislation governing interest arbitration contained in the Fire Departments Act. In the fire sector, given the essential nature of our services provided, the terms and conditions of collective agreements must be determined by a process of interest arbitration rather than through strikes or lockouts. Criteria for arbitrators in schedule Q of the bill would totally discredit arbitration as a system of resolving collective bargaining disputes for firefighters. The bill would require arbitrators to consider the following criteria:

"1. The employer's ability to pay in light of its fiscal situation.

"2. The extent to which services may have to be reduced, if the current funding levels are not increased.

"3. The economic situation in Ontario and in the municipality....

"4. A comparison, as between the employees and other comparable employees in the broader public sector, of the terms and conditions of employment and the nature of the work performed.

"5. The employer's need for qualified employees."

These provisions constitute a significant interference with the independence and integrity of the arbitration process, requiring boards of arbitration to consider governmental criteria in awarding collective agreements.

The role of arbitrators is to ensure that firefighters receive neither more nor less than employees in the private sector or other public sector employees performing comparable work. It is entirely inappropriate for boards of arbitration to make political decisions in respect



to establishing spending priorities of municipalities in determining wages.

Arbitrators have stated that basing an award on ability to pay could render the interest arbitration process largely irrelevant, since the use of ability to pay could allow the government and employers to unilaterally determine wages and benefits by simply allocating a fixed or reduced amount for employee compensation in their transfer payments or budgets. The ability-to-pay criterion leads arbitrators to reach predetermined results and biases their decision in favour of employers. Reliance on ability to pay would undermine the independence of arbitrators and the integrity of the arbitration process.

If employers can unilaterally fix or reduce the budget for employee compensation and then argue that arbitrators are bound by the employer's budgetary decision, this could also undermine the process of collective bargaining itself, since there would be little if any incentive for employers to reach an agreement when it is clear that arbitrators will have no choice at the end of the day other than to award the employer's position.

Arbitrators have also criticized the requirement to apply the ability-to-pay criterion on the basis that it requires public sector employees to subsidize public services through substandard wages, a situation criticized by all arbitrators as unacceptable. Since there is no objective test for measuring a public sector employer's ability to pay, arbitrators have held that ability to pay really amounts to no more than willingness to pay.

By imposing this criterion on arbitrators, government may be able to effectively implement wage controls without doing so directly, thereby using arbitrators as a buffer to escape responsibility.

Similar legislation was adopted by a Conservative government for a temporary period in the early 1980s. At that time, the chair of the Ontario Police Arbitration Commission expressed concern that "arbitrators may cease to be available since the proposed legislation will impinge on their independence." As a result of such concerns, the legislation was not renewed after a period of one year.

The ability-to-pay criterion deprives employees of a fair, impartial mechanism for determining their terms and conditions of employment. If arbitrators are directly appointed by the government which lays down in legislation certain criteria which the arbitrators are bound to follow in the determination of their awards, it is inevitable that confidence in the system will diminish.

In determining compensation matters under collective agreements, the traditional criterion used by arbitrators to determine wages in the public sector is comparability with employees performing similar work for the same employer, with employees performing similar work for other employers in the public sector and with employees performing similar work for employers in the private sector. This ensures that wages for employees governed by interest arbitration in the public sector follow negotiated settlements in those sectors where the parties have the right to engage in free collective bargaining, with the right to strike or lockout.

The Association of Municipalities of Ontario would lead you to believe that most of the firefighter wage

settlements are determined by boards of arbitration. This is not true. In fact, 85% of firefighter agreements have been successfully and freely negotiated by the respective parties without resorting to interest arbitration. In Sudbury, agreements have been determined by interest arbitration twice in the past 15 years.

#### 1310

The Association of Municipalities of Ontario have insinuated for years, because of certain arbitration awards, that the firefighters had the arbitrators in their so-called back pockets. We find this type of attitude totally unacceptable and insulting to the present list of arbitrators in the province of Ontario. We believe that in some instances municipalities opt to let arbitrators determine salary increases, particularly in election years. It is easier to put the blame on arbitrators for increases even though the increase was just and reasonable.

The bill also requires arbitrators to consider the extent to which services may have to be reduced if current funding levels are not increased. The intent of this provision is not clear, along with other criteria listed in the legislation, but it may be to encourage arbitrators to make awards which require employees to subsidize the maintenance of current levels of service through substandard wages.

This consideration may also involve arbitrators in decisions representing the level of service that should be provided by the employer, thereby relieving public sector employers of their responsibility for making decisions for which they can be held accountable.

Any imposition of criteria on arbitrators significantly fetters their discretion, compromises their independence and impartiality, and as a result, our view is that no criteria should be imposed on interest arbitrators.

The other specific area of Bill 26 that we feel directly impacts on public safety is schedule M. Schedule M would amend the Municipal Act to provide the government with wide powers to restructure existing municipalities and localities. Restructuring includes the amalgamation of municipalities; annexing part of a municipality to another municipality; dissolving all or part of a municipality; annexing a locality into a municipality; incorporating the inhabitants of a locality into a municipality; and joining a local municipality to a county for municipal purposes.

The powers to be exercised by the minister or a commission in implementing a restructuring proposal are left entirely to be established by regulation or by the commission itself. The minister is given virtually unlimited powers to determine, by regulation, the composition and the functioning of a restructuring commission, including authorizing the commission to apportion its costs among the municipalities or local bodies affected by the commission's report. Further, the minister is entitled to establish restructuring principles that must be considered by municipalities, other bodies and the commission when developing restructuring proposals.

Apart from the power to restructure municipalities, the bill would give the minister, together with the municipalities, broad powers to alter or eliminate local boards under the control of one or more municipality. The definition of a local board includes school boards, public



utility commissions, transportation commissions, public library boards, boards of park management, boards of health, police services boards and other bodies which perform public, municipal functions. In addition, cabinet would have the power, by regulation, to deem any other body which performs public functions to be a local board for the purpose of these powers. Under the bill, the council of a municipality would have the power to dissolve or make other changes to any local board simply by passing a resolution, and this power applies despite any other legislation.

While the full impact of these proposed changes on the operation of municipal services will only be understood when regulations are enacted, the bill would provide the authority for municipalities to eliminate or fundamentally alter the structure and delivery of municipal services. Municipalities may well argue that this power extends to relieve them of the obligation to comply with the requirements of any other legislation, including labour relations legislation. Furthermore, it may be that the power to make changes to a local board could result in significant contracting out or elimination of municipal services if the regulations so permit.

Upper-tier municipalities are given the power to pass bylaws assuming services or facilities provided by local municipalities or local boards where those services are prescribed by regulation. These provisions may allow a regional municipality to assume such functions as firefighting, presently performed by local municipalities. In the event an upper-tier government assumed the function of fire protection without successor rights, affected employees could end up with no collective agreement and no protection whatsoever.

Municipalities and local boards are given broad new powers to pass bylaws imposing fees or charges on any class of persons. These fees or charges may be levied for any services or activities provided by the municipality, for any costs payable by it for services and activities, and for the use of any of its property. In addition, the nature of the charges that may be made appears virtually unlimited, including fees and charges which are in the nature of a direct tax. Such fees or charges can vary on the basis that the municipality considers appropriate. In this connection, the municipality may treat different classes of persons differently and may deal with each class in a different way.

These provisions, taken together, would appear to allow for municipal poll taxes, a host of user fees and other charges for municipal services, and may even permit municipal charges based on income. While the minister may make regulations preventing municipalities from exercising these powers, the circumstances in which the minister could do so are left entirely unspecified.

User fees could very well become a reality in the fire service. We believe this is a recipe for disaster. In some communities, suggestions have already been made that user fees may be introduced for such services as extinguishing vehicle fires or responding to false alarms. The result would be individuals attempting to extinguish fires on their own and not calling the fire department, exposing themselves and others to serious injury. The situation may also arise where owners of apartment buildings will

be tempted to deactivate alarm systems to avoid charges, placing residents and taxpayers at risk.

Prior to the election of the present government, many firefighters from across the province solicited comments from candidates on what their position would be on proposed changes to the Fire Departments Act. Attached to our presentation are written responses by now members of cabinet. All responded in the following: "No changes will be made under a Harris government until such time as your members have been thoroughly consulted. And we will insist that changes be fully costed—both from the point of view of workers, as well as management."

At this time we would like to show the committee a short excerpt from a video from Mike Harris. This video was presented to the Provincial Federation of Ontario Fire Fighters at its educational seminar in the city of St Catharines last April.

*Video presentation.*

1320

**Mr Leduc:** We, as professional firefighters, believe this bill does in fact make drastic changes to the Fire Departments Act, and our members have in no way been "thoroughly consulted."

Firefighters are currently involved in a review of the fire services in the province of Ontario under the direction of the Solicitor General, the person appointed by the government to be responsible for the fire service in Ontario. Thorough consultation is necessary in order to examine all aspects of public safety as well as the safety of firefighters.

We know the province of Ontario is in great financial trouble. However, we are asking the government not to destroy the right of the people of Ontario to a safe existence. We are here today to ask the government to live up to its commitments to us. We are asking the government to exempt the firefighters and the fire service from Bill 26 and allow us to continue discussions on our own piece of legislation, the Fire Departments Act, as was promised prior to the election.

Thank you on behalf of the Sudbury Professional Fire Fighters Association.

**The Chair:** We begin questioning. You have three minutes per caucus for questions, beginning with Mr Hardeman.

**Mr Hardeman:** Thank you very much for the presentation. I've just a quick question on the user fees and the implications that municipalities will be able to charge user fees. Is it your impression that that presently is not allowed? I would suggest that there's a great portion of Ontario that is presently charging user fees for fire service on the provincial highways. The province then pays the municipalities and charges it back to whoever had the fire, through the insurance company. Would you see that as a contradictory situation with what you're suggesting may happen?

**Mr Leduc:** No, I wouldn't. There are presently user fees in the fire service in the circumstance where you're speaking of on provincial highways where the provincial government is billed. It's not a direct user fee to the person involved, let's say, in a particular motor vehicle



accident, if we were called to go to auto extrication on a highway.

This bill would open the door for a different type of user fee. We understand there may be user fees for some fire services that relate to inspections and those types of deals. But when we're talking of mayors in this province who made comments of user fees for emergency services, where this legislation opens that door, we think, as we said in our brief, it is definitely a recipe for disaster.

**Mr Hardeman:** You did realize that the restructuring proposal that you were expressing in your brief does not apply in the region of Sudbury?

**Mr Leduc:** Can you explain that?

**Mr Hardeman:** I think if we read the act, it exempts regional government from that restructuring proposal of amalgamation and changes.

**Mr Leduc:** That is not our understanding of the bill. We've gone through this bill—

**Mr Phillips:** The fire department is right and you are wrong, Mr Hardeman. This is embarrassing.

*Interjection.*

**Mr Hardeman:** Restructuring?

**Mr Leduc:** Under the act, in our opinion, this does apply to the region of Sudbury as far as restructuring.

**Mr Tascona:** I thank you for your presentation. We've heard from a number of firefighter groups across the province, and certainly each one of their presentations has focused on schedule Q. Certainly a part of the government's review of the Fire Departments Act—this is part of the process. As you know, the deadline was extended for written submissions until February to deal with the impact of this bill. Certainly, I would consider the consultation process that we're going through now has been used by the firefighters to a great extent, more than perhaps any other group I'm aware of in the province.

I'd just like to say about schedule Q that we're dealing with considerations. It's never been said that these are determining factors. I think your president has got assurances from Mr Runciman that the factors in arbitration, these are not exhaustive, and it would be like a normal process where arbitrators consider all the relevant factors. Nothing has changed in that process. There are mandatory criteria that have to be considered, but that doesn't exclude all the factors.

I'd just like to point that out in terms of your concern over this, because the police association presented to us and they wanted to make sure, and one of their approaches was to make sure, that we consider all the factors for the arbitrators. Because the purpose isn't to take out and put in the hands of arbitrators the political decision-making. It's still going to be an independent process, as it has been before.

**Mr Leduc:** That is not clear in the bill, whether arbitrators can consider only the five criteria or expand the considerations further. On the consultation, the fire marshal's report clearly leaves the arbitration process alone. There was no consultation prior to the introduction of Bill 26 on anything dealing with criteria to arbitrators. If you go through that fire marshal's report, you'll see quite clearly that the fire marshal had deemed to leave the arbitration process as it was for firefighters in the province of Ontario.

**Mr Bartolucci:** Thank you very much, Marc and Mike, for an very excellent presentation. Just a point of clarification, though, because we have to clarify a point made by Mr Hardeman, and that's with regard to restructuring. The restructuring aspect is there, but there is clearly a shifting of power, and that's what these people are most concerned about. So don't try to misguide your comments. Clearly there is a shifting of power, and that's where the concern here is.

But let me tell you, because I'm interested in the video, and I'd just like to read a section of schedule Q: "Section 6 of the Fire Departments Act is amended by adding the following subsections," and we go down. Do you feel you were misled by Mr Harris and Mr Runciman?

**Mr Mike O'Reilly:** First of all, thank you, Mr Bartolucci, for clearing up a disagreement that we have had here. Secondly, to answer your question, definitely we feel that we've been misled or lied to or betrayed by the Tory government. We've all seen the video here today. We didn't edit that video.

**Mr Gerretsen:** Are we sure that's Mr Harris, though?

**Mr O'Reilly:** We're quite sure it's Mr Harris. We've also got written documents by Mike Harris. So yes, it's very clear we've been lied to and we're very concerned. A lot of firefighters from across the province of Ontario voted for the Tory government under the promise that they wouldn't touch the Fire Departments Act. All we want from them is a little bit of backing up on their promises.

**Mr Bartolucci:** We've negotiated against each other when I was an alderman, and with the information that you give us about 85% settlements and only 15% going to arbitration, would you then see this amendment as a form of wage control through the back door?

**Mr Leduc:** Definitely. If municipalities are allowed to set their budgets and use the ability-to-pay argument as well as the provincial government with its control over transfer payments, this is exactly what it is. It's wage control through the back door without actually coming right out and saying that we are controlling the wages of this particular group of workers in the province of Ontario.

**Ms Martel:** I want to return to the video and follow up on from Mr Gerretsen. The guy I just saw in that video sure looked like and sure sounded like Mike Harris to me. I think that it was Mike Harris. I heard Mike Harris in April of last year make a very, very specific commitment to you folks, to your association. He said very clearly that you would be consulted in any changes to the Fire Departments Act. I want to ask you, are you here before this committee today to tell us that in fact you were not consulted at all about the changes?

**Mr O'Reilly:** That's correct. We were not consulted with the changes. We have not been consulted with the changes, only promised to be consulted. But up to this time no consultation has been had with the firefighters across the province of Ontario, none whatsoever.

**Ms Martel:** So why do you think Mike Harris—

**Mr Young:** You met with the Labour minister.

**Mr O'Reilly:** A five-minute meeting does not constitute consultation.



**Ms Martel:** Well, that's the way the Tories consult. "You've got five minutes. Come in and say it fast." That is their idea of consultation.

*Interjections.*

**Ms Martel:** Only because we forced it, my friends. We wouldn't be here at all. Only because we forced it.

*Interjections.*

**Mr Leduc:** We were promised thorough consultation. In no way, shape or form have we had thorough consultation. There have been some meetings, yes, I admit to that. There have been some meetings with some members of the government, but in no way can it be said that there has been thorough consultation on the changes proposed under this bill.

1330

**The Chair:** You've about 30 seconds, Ms Martel.

**Ms Martel:** That's okay. I'll use it. The Tories would like to tell you that there's consultation happening here today, and I want to remind everyone in the room that, were it not for the actions that we took and the Liberals took, we would not be here in Sudbury, Ontario, today hearing from these people.

**Mr Gerretsen:** Alvin Curling was the guy who did it.

**The Chair:** Thank you, gentlemen, for coming forward this afternoon to make your presentation.

**Mr Phillips:** On a point of order, Mr Chair: The parliamentary assistant on municipal affairs told the Sudbury fire group that they were excluded from the possibility of what they put in their brief about the upper-tier municipality taking over fires. The fire department was right.

**The Chair:** Mr Phillips, it's not a point of order that has anything to do with the rules of the Legislature.

**Mr Phillips:** No, but I don't think that they can leave with the parliamentary assistant saying they were wrong. They were right; the parliamentary assistant was wrong.

**The Chair:** It may be a question of interpretation problems, and if Mr Hardeman so chooses, he may decide to clarify that. But it's not a point of order. It's not a point of the rules of the standing orders of the committee.

**Mr Hardeman:** At the moment I would clarify that the question was whether they understood that the part of the restructuring portion of the bill does not apply to a region. The part of the transfer and the migration of services does. There have been a number of applications put forward where the changing of the municipalities or the municipal boundaries would in fact negate their contracts. That would not apply in the region of Sudbury.

#### ONTARIO PUBLIC SERVICE EMPLOYEES UNION, SUDBURY REGION

**The Chair:** May I please have a representative from OPSEU, Sudbury region, come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for responses or questions from the three caucuses. I'd appreciate if at the beginning of your presentation you would introduce yourselves for the benefit of both Hansard and committee members.

**Mr Bill Kuehnbaum:** My name is Bill Kuehnbaum. I'm the vice-president of OPSEU and a resident of Sudbury. With me is Peter Slee, who is a staff representative of OPSEU's office in Sudbury.

This presentation deals with two items that are in the omnibus bill, the one dealing with the pension arrangements for civil servants who are laid off and the other dealing with the effect of the elimination of the proxy method of pay equity on a group of people who live in Sudbury and work for the Sudbury Children's Aid Society.

I want to tell you how Bill 26 will cut into the pensions of laid-off government employees by hundreds of thousands of dollars. We expected this government to put many civil servants out to pasture. But we did not expect it to tear up the grass, poison the water and chop down the shade trees before they got there. Bill 26 turns the pasture into a wasteland.

A simple illustration shows the magnitude of the devastation. I've taken here an employee example, employee John Jones, who works for the Ministry of Natural Resources—we have lots of Natural Resources employees in this area—whose salary for the last few years has been \$40,000. He's age 48 and he has 28 years of service.

If John were laid off today, his pension plan provides the following: In two years' time at age 50, he would collect a pension of \$22,400 annually, and this would lead to a lifetime pension of \$716,800. All the details, for those who like the arithmetic of pensions, are given on the last page. The lifetime assumption is that he'll live to 82, which is the current factor used by the actuaries of the pension plan. That's the status today, when or if John gets laid off. He waits two years, he starts collecting \$22,400, and over his expected lifetime his pension earnings would be \$716,800.

Under Bill 26 he would no longer get a pension at age 50. Instead the cabinet will make him wait several years to get a pension and confiscate hundreds of thousands of dollars from his retirement years. Under Bill 26 John will have to wait not two years but 17 years until he turns age 65 before he can collect the same \$22,400 annual pension, and the little graph there gives you the details of if he waits till age 65, that's when he starts getting the same annual pension as he would have got at age 50, and if you factor in his lifetime pension, it will be \$380,800, which represents a loss under Bill 26 to this individual of \$336,000.

Now John could elect to take a reduced pension before he reaches age 65. The following illustrate the impact of taking his pension at age 60 and at age 55. If he waited till age 60 to collect his pension, there would be a reduction based on retiring before age 65, collecting his pension before age 65. The reduction would leave him with an annual pension of \$16,800. His lifetime pension earnings would be \$369,000. This is a \$347,200 loss from the pre-Bill 26.

If he were really strapped for money and had to start collecting his pension at age 55, things get even worse for him. His annual pension is now reduced from half of what it would have been. It now would be \$11,200. His lifetime pension earnings would be \$302,000. The loss that he could chalk up to this bill is \$414,400.



For those of you who don't like charts but prefer pictures, the graph on page 4 shows you the comparison between pre-Bill 26 if you got laid off and post-Bill 26 if you got laid off. The numbers are dramatic. For the most part, his pension will be cut approximately in half.

How does Bill 26 make this happen? Until the year 2000, the plan provides for a factor 80, that is, age plus years of service, retirement window without a pension reduction. John would reach his 80 factor in two years and could retire at age 50 on a unreduced pension.

Currently, when significant downsizing occurs, the superintendent of pensions, under the Pension Benefits Act, has the authority to wind up a portion of the pension plan, and laid-off workers would have access to early retirement as though they were still working. Through the partial windup, John would get his annual pension of \$22,400 at age 50. Bill 26, schedule L, removes windup authority from the superintendent and assigns it to cabinet for one unique set of Ontario workers, those working for the provincial government. The cabinet has already indicated it will use its new powers to deny John access to the 80 factor.

The impact on John Jones: Under Bill 26 two things are clear. John will wait at least five years longer after being laid off to get a pension, and the pension he gets will provide \$300,000 to \$400,000 less for his retirement.

Premier Harris and his cabinet have made much of their adherence to the promises made in the Common Sense Revolution manifesto. Page 9 of that document makes commitments to reduce the civil service by attrition where possible and to produce fair severance arrangements where layoffs were required. This commitment now lies in tatters. Schedule L does the opposite of what was promised. Employees like John Jones already have fair severance arrangements in place. Bill 26 eliminates them. It clears the way for the cabinet to steal pension benefits from the employees it lays off.

We expected this government to escort John Jones out the door. We did not expect it to pick his pocket on the way through. John Jones has already paid for his pension. OPSEU struggled for 20 years, using John's dues, to achieve a conventional pension plan free from political interference.

1340

The OPSEU pension plan is a jointly trustee plan which was set up under a joint sponsorship agreement effective January 1993. Prior to that, OPSEU members were subject to the public service superannuation plan, a totally employer-controlled plan which successive governments had used as a source of cheap capital.

To get a conventional pension plan, one that was subject to the normal rules, and as part of the sponsorship agreement, OPSEU members allowed the government to reduce its contributions to the plan by \$392 million. This was part of the price John Jones paid to get his 80 factor.

The people of Ontario made a commitment to John Jones. When the government of Ontario set up John's pension plan, it put into statute the following promise:

"The plan and the funds shall not be made subject to any statutory provision that does not apply generally to pension plans in Ontario...."

This is much more than a contract between the government of the day and the members of the plan. It is a covenant from the people of Ontario to John that his pension plan will no longer be singled out for special discriminatory treatment.

Bill 26 reneges on that covenant. It singles out John's pension plan for exemption from the partial windup provisions of the Pension Benefits Act.

This affects more than John Jones. There are thousands of John Joneses across the province. In the Sudbury district of the Ministry of Natural Resources alone, there are 23 workers who are eligible for factor 80 early retirement. The application of section L is retroactive to January 1, 1993. If Bill 26 passes unamended, by the end of January this government will have already stolen from the people who have spent their entire working lives in its services hundreds of thousands of dollars of retirement comfort.

This is an act of extreme bad faith which would be illegal for any other employer in Ontario and, but for Bill 26, illegal for even the government of Ontario. In July the government tried by regulation to exempt itself from the partial plan windup provisions of the Pension Benefits Act. On December 20, the Ontario Divisional Court overturned the cabinet order.

Schedule L goes on to shield the government from civil liability for failure to perform its fiduciary obligations to the members of the pension plan once cabinet has, through Bill 26, seized control. To us, that constitutes acknowledgement that the government intends to act in a way which normally would be considered a breach of trust.

Through his election platform, Premier Harris may have received a mandate to reduce the Ontario public service. That mandate required him to do it fairly and by attrition where possible. It did not give him a licence to steal pension benefits from the employees he lays off.

This last concept is important in this community. Sudbury is no stranger to downsizing. Inco has gone from about 19,000 hourly rated employees to around 5,000. Over the last decade improved early retirement programs were the order of the day, not the theft of pension benefits from laid-off workers. Inco is a private sector firm with as much concern for the bottom line as any government in this country.

The government would do well to recall the outrage across this province over the employer grab of pension benefits from Dominion store employees in the mid-1980s. It was this abuse that triggered changes to the Pension Benefits Act, including the provisions from which the government seeks to exempt itself in section L.

There is another group in Sudbury that's going to get shafted. Being a mining town that might be a good term. Those are the people who work for the Sudbury Children's Aid Society, who are also members of my union. On their behalf I want to tell you how the repeal of the proxy method from the Pay Equity Act makes a mockery of the concept of pay equity, breaks a deal that was freely entered into and dooms them to unfairly low pay.

The proxy method of achieving pay equity was introduced after it became obvious that many of the most severe job ghettos where female work was substantially



undervalued occurred where there were so many females that no male comparators existed to permit the normal job-to-job comparison between male- and female-dominated classifications.

The Sudbury children's aid society with six males in a staff of 105 was just such a workplace. The only male-dominated job class was the director of finance. All other classes were female-dominated. The parties agreed that another public sector employer just down the street, Laurentian Hospital, was an appropriate proxy employer and negotiated a proxy-driven pay equity plan that acknowledged a wage gap of as high as \$10,000 per year for many vastly underpaid classifications ranging from senior social worker to clerical staff.

The parties then negotiated a long-term plan to eliminate the gap—3% of payroll was applied the first year, and 1% per year was to be used for the next 17 years; that's right, 17 years to get the pay equity hospital workers got in three. The staff and management were expected to work together on a consensual basis and, even though the 17-year result seems punishing to the workers, they were willing to live with the outcome.

Now through schedule J the government prevents these women from receiving but a fraction of the negotiated adjustments. Once 3% of the 1993 payroll has been paid, the employer's full pay equity obligation will be deemed to be totally fulfilled. At that point, children's aid workers will still be close to \$10,000 behind hospital workers who do much the same work. Imagine, \$10,000 less a year because they selected to care for threatened children, a predominantly female role in our society.

The pension and pay equity issues are examples of the contempt the government has for the rule of law in the province. Fundamental to the rule of law is the binding nature of the freely reached contract. Parties who do business together and achieve an agreement in good faith must be able to rely on the terms of their agreement being fulfilled. Without that ability, no business could be conducted.

While our system of parliamentary democracy empowers the Legislature to do virtually anything, including flouting normal legal processes, this government's behaviour undermines the respect for law which has been part of the character of Ontario citizens. How can government expect its citizens to respect the laws it passes to fulfil their obligations as citizens when the government itself abuses its power by using processes and enacting laws that exempt it from similar obligations? This will be the long-term legacy of the omnibus bill.

**The Chair:** We have four minutes per caucus for questions. We start with the opposition caucus.

**Mr Gerretsen:** I would first of all like to congratulate you on an excellent brief. We've heard a lot about the pension benefit changes and the pay equity changes as well, but your brief actually put it in some human form, where we can actually follow it by examples as to how it affects individuals, which, in all the presentations we have had so far, we have not had. When you come to think of it, it's one of the most outrageous provisions of this act. We've got about 25 different acts that are involved, or schedules etc, but these two are probably the least understood by the general public. On an individual

basis they are probably going to affect more people, those who are affected, in a deeper way than anything else in the act collectively.

Would you not think that under normal circumstances this is a negotiating matter? Let's say the government wanted to change parts of this for people who are still in the workforce now. I'm not talking about people who are already pensioned. Wouldn't that be a normal negotiating matter that at least could be discussed and that's the way you bring it to the table?

**Mr Kuehnbaum:** Yes, as a matter of fact, negotiations are going on now for the agreement that covers John Jones and his colleagues, and pensions are on the table. That is the usual forum for these things to be arrived at. When deciding to make a presentation, I said to myself, "Who's going to be damaged the most and most immediately by this omnibus bill?" It is the people I know who are going out the door. Not only are they losing their jobs but they're having all their retirement comfort cut approximately in half.

1350

**Mr Bartolucci:** Maybe just add a little bit to what you started to say. How much is this government—using your words, because I think they're appropriate—going to be stealing from your pension plan?

**Mr Kuehnbaum:** In this case, in this one individual case, which isn't that rare, it's \$300,000 to \$400,000. So it depends, really, how many people they're going to lay off and how close they are to the 80 factor, but it's going to be in the millions and millions and millions of dollars.

*Interjection.*

**Mr Kuehnbaum:** Three hundred and some-odd million, I think, which is big numbers and kind of general. But think about it in terms of this guy who's going out the door. He's got to buy groceries, he's got to live for the rest of his life, and this is what he was going to live on. You don't see too many people who control their own pensions opting to cut their pensions in half.

**Mr Bartolucci:** I've heard a figure of about \$250 million. What type of climate does that help establish as you're going into negotiations?

**Mr Kuehnbaum:** The type of climate it establishes, it virtually assures a strike vote.

**Ms Martel:** Let me return to the pensions issue, because not only have you pointed out that the government is now making a grab on money that was set aside for people when they retire, but they're actually doing it retroactively too, back to, in the schedule, at least January 1, 1993. So the government that wasn't the government then has the audacity to break a contract that we negotiated with OPSEU at the time and they're going to go back two years in order to grab that money. What do you think about a government that thinks it's appropriate to go back two years to make a grab on money that it's not entitled to?

**Mr Kuehnbaum:** It sucks.

**Ms Martel:** What do you think would happen if the same government tried to implement this in the private sector? If this government said to Inco and said to Falconbridge, "It's okay if you do another Conrad Black and you go in and you steal pension funds from the people who work for you," what do you think would



happen in this community if the government tried to do something like that?

**Mr Kuehnbaum:** My guess is that if any private sector employer tried to do that, they would be shut down virtually overnight. We have a different culture in this union; it's going to take us longer to get there, but this is helping us get there real fast.

**Ms Martel:** So why do you think the government's picking on you, as its own employees?

**Mr Kuehnbaum:** They may be under the illusion that they're going to get away with it.

**Mr Terence H. Young (Halton Centre):** What about the social contract?

**Ms Martel:** Well, we could talk about the social contract. Let me ask you, Bill, you lived under the social contract. If you had a choice between the social contract and the measures that you see before you, what choice would you make?

**Mr Kuehnbaum:** I don't have those options, Shelley.

**Ms Martel:** You'll probably be going out the door.

**Mr Kuehnbaum:** I hated the social contract, but it didn't take hundreds of thousands of dollars away from people who were being laid off.

**Ms Martel:** Tell me about the social contract and then compare that to the elimination of proxy for 100,000 women in the province, the women who work in the lowest-paid places of employment in the province. What do you think about that in comparison to the social contract?

**Mr Kuehnbaum:** The proxy thing isn't understandable. I've negotiated pay equity both from the employer's side and from the employees' side, and the way the rules are set up, if you don't have proxy, you can't achieve the objectives of pay equity if an employer happens to be in a situation where they've hired all women. You might as well—I hate to suggest it; the government may do it. You just might as well say pay equity doesn't apply if you've got a majority of women in the workplace.

**Ms Martel:** Don't give them the idea, please.

**Mr Sampson:** Thank you very much for your presentation. I appreciate you going through the pain and effort of putting together the chart. I went through it and if we could maybe ask a few questions about that, if you don't mind. What was the name of your candidate?

**Mr Kuehnbaum:** John Jones.

**Mr Sampson:** What would be the net pensionable earnings of John Jones if he had been declared surplus, for instance, under the previous government? Would it have been \$22,400 or some number different, assuming he had the same age? This time last year, but the same age and the same years of service, would it have been the same amount?

**Mr Kuehnbaum:** Yes, the same.

**Mr Sampson:** So his entitlement to the pension is \$22,400 and the fact that he's getting laid off is not affecting whether it's \$22,400?

**Mr Kuehnbaum:** That's right. What's being affected is when he can start collecting \$22,400.

**Mr Sampson:** But the pension commission didn't declare that the windup provisions applied if he were to have been laid off last year, so in fact, isn't it true that indeed he wouldn't have got \$22,400? He would have

got—what was your number here—the \$16,800 because you would have had to take the deductions? If he wanted to earn his pension right after he was laid off, you would have had to take the deductions for the years of service, the 5% for each year.

**Mr Kuehnbaum:** No. The pension commissioner has the right to do the partial windup if there's a substantial downsizing in the employer.

**Mr Sampson:** Right. But somebody who was laid off last year—

**Mr Kuehnbaum:** There hasn't been a substantial downsizing in the employer. That's over the horizon.

**Mr Sampson:** No, but somebody who was laid off last year will have an entitlement of \$16,800. Somebody who's laid off, for instance, upcoming—I don't know when the date is, but let's say it's this year—would have an entitlement under your calculations of \$22,400. What do you tell those two people? Clearly there's a significant difference in the pensionable earnings between those two categories of people, somebody who was laid off last year and somebody who was laid off this year. There's a big difference, isn't there?

**Mr Kuehnbaum:** Right. There were no layoffs last year.

**Mr Sampson:** At all in the public service?

**Mr Kuehnbaum:** Not of this variety, of this kind of worker.

**Mr Sampson:** There were no layoffs at all in the public service last year?

**Mr Peter Slee:** The reality was that in fact during the last few years, while the Ontario civil service was reduced by some 8,000 positions, there were very few layoffs. There were around a couple of hundred layoffs.

**Mr Sampson:** But somebody who was laid off would have got the base pensionable earnings of \$16,800; is that correct?

**Mr Kuehnbaum:** I don't know where you're coming from here. You're talking about a hypothetical person in the past when there was not such a hypothetical person.

**Mr Sampson:** You have a hypothetical person here and I'm just saying let's say that hypothetical person was laid off last year—

**Mr Kuehnbaum:** Right. My hypothetical person is the person who was laid off as part of a general downsizing in government.

**Mr Sampson:** Right.

**Mr Kuehnbaum:** There is no such person, either real or hypothetical, in the past. We see that as being just over the horizon based on what you folks are telling us.

**Mr Sampson:** Let me try this another way. Is it your view that the government's going out of business?

**Mr Kuehnbaum:** Well, we can hope. But in this case, no, I anticipate we will have government for a while.

**Mr Slee:** It's our view that about a quarter of bargaining unit members and members of the pension plan are scheduled for layoff. Listening to the statements of the Premier and the cabinet, 13,000 to 20,000 people out of 60,000 comes pretty close to a quarter.

**Mr Sampson:** But is that downsizing somehow going to jeopardize the ability of the province to honour the pension commitments of the people in accordance with the regular obligations, for instance, the \$16,800 that would have been paid to the person laid off last year?



**Mr Kuehnbaum:** No. The current pension commitment is that if you get laid off as part of a general downsizing, the superintendent of pensions has the right to partially wind up the plan, which would then lead this John Jones to a \$22,400 pension at age 50. That's the current status. What we're complaining about or making this presentation about is because the omnibus bill sets out a change of that status.

**The Chair:** I'm sorry to interrupt, Mr Sampson. We've come to the end of the government's time.

Gentlemen, I'd like to thank you both for coming forward and making your presentation to the committee today. Thank you.

#### MITCHELL DAY

**The Chair:** May I please have Mitchell Day come forward. Good afternoon and welcome to the standing committee on general government. You will have half an hour today to make a presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from the three caucuses. I would appreciate it if you'd introduce yourself and any organization you may happen to represent—or if you're just an individual, that's fine—for the benefit of Hansard and committee members at the beginning of your presentation.

**Mr Mitchell Day:** Thank you very much, Mr Chairman, honourable members of the committee. My name is Mitchell Day and I'm a recent graduate from university who's just starting off on his career and I wanted to make some passing comments on the theoretical foundations of the Savings and Restructuring Act.

As I have just graduated from school and I've started off in gainful employment, I was noticing, among many other people in my age group, that Ontario is in a very unenviable economic situation. Due to the profligate spending practices of the previous governments over the last 15 years, Ontarians now suffer the consequences of one of the largest government debts in the industrialized world. We're all familiar with the most obvious statistics, that the provincial debt is escalating by \$1 million every hour and that the total government debt in Canada is roughly equal to our annual economic output.

1400

The implication for such debt is widespread and far-reaching. First, exorbitant government borrowing has put capital at a premium in Canada. Due to the fact that our level of debt compared to the United States, which has similar economic fundamentals, is considerably larger on a per capita basis, Canadians pay on average 2% more in borrowing costs vis-à-vis our American counterparts. This makes investment in Ontario less attractive, it increases the cost of borrowing for Ontarians and it discourages many from purchasing homes, automobiles or durable goods.

Another important result of this unnecessarily large government debt is the lower value of the Canadian dollar. This makes our currency artificially cheap in order to drive exports, which in turn run the economy. These exports are necessary to provide tax revenues for the various levels of government in Canada. However, the

lower-value dollar has also decreased the real incomes of Ontarians on a purchasing power parity basis. Ontarians can purchase fewer goods and services with devalued dollars than they could 30 years ago.

In addition to this, the increased tax burden carried by Ontarians has accelerated this decline in standard of living. As real tax levels have perilously climbed on individuals over the past 15 years, real after-tax incomes have declined. These factors are the prime reasons for the decline of the middle class in Ontario and the increased gap between the top and bottom deciles in income distribution in Ontario.

The middle class has shrunk in Ontario because of real declines in wages due to the high taxes and devalued currency buttressing this government debt. The increased gap between rich and poor, in spite of the economic upturns during the 1980s and in spite of increased income taxes on the productive in our society, has increased, primarily due to the fact that the wealthy in this province have the ability to offset their declines in real income by investing abroad in investments which provide a return to offset this decline.

To summarize, Ontario's been trapped in a vicious circle of escalating debt, increasing taxes and a diminishing standard of living. What seems to me to be a goal of Ontarians and of Canadians in general, if the trends can be interpreted in this manner, is to have an Ontario with a competitive, export-driven economy and a rising standard of living.

The provincial government's role in this is crucial. For these conditions to occur, it is necessary for the government to drastically reduce the levels of debt and taxes. The present government has made it clear that this is its priority; to eliminate these barriers and to create a rising standard of living by reducing government debt, taxes and other barriers to wealth creation in Ontario. By extension, the Savings and Restructuring Act is a very important first step towards achieving this goal.

In particular, I would like to address a theme which encompasses two aspects of this bill. These sections are amendments to the Capital Investment Plan Act and the Municipal Act. The common theme with these two sections of the bill is the implementation of user fees or facility charges. The introduction of such fees for a variety of activities would be beneficial to Ontarians on an economic basis, as such fees would ultimately lower taxes, improve services and efficiency, lower government costs and prevent misuse and abuse of government services and facilities.

There is a plethora of reasons why a system of user fees has economic advantages over present funding arrangements. The most obvious is the fact that a direct fee for service creates a tangible economic relationship. The present system whereby government activities are funded from revenues arising from income and sales taxes creates irrational economic behaviour. This is because of the fact that there is a lack of a direct market mechanism in the provision of services. Even though these services are funded by taxation and general revenues, a significant number of people view these services as free. Since these individuals behave as though these commodities are free, the rules of macroeconomics comes



into play, the rule being that a scarce good offered for free will be depleted in a much more rapid manner than it would if it were governed by the laws of supply and demand.

This would explain why government spending, even when inflation and population are figured into most of the numbers, has increased exponentially over the past 30 years. By reintroducing a direct market relationship between the user and provider of government services, rational economic behaviour would be re-established and would reduce the strain on a scarce resource, namely, tax dollars.

The Savings and Restructuring Act introduces the utilization of facility charges in two particular instances. First, the amendments to the Capital Investment Plan Act would permit the introduction of toll highways into the province of Ontario. Second, the proposed changes to the Municipal Act would give the municipal governments of the province the ability, if they see fit, to charge for various services and activities. Current speculation suggests that services and activities such as use of library and recreational facilities, garbage collection, to name a few, would be prime candidates for funding via user fees. The benefits of such changes would be numerous. First of all, user fees would be able to ease the planning process. The budgetary process would become much simpler, as there is a more direct relationship between revenues and costs.

The main consideration for setting the fees are the variable costs of the services provided. This would also simplify the accounting aspects of such activities, as generally accepted accounting principles would be able to be used in lieu of abstract government accounting principles.

Second, user fees can result in improved efficiency. User fees can be used as a tool for improving efficiency and cost-effectiveness of government operations. Assuming that an activity's sole revenue source is from user fees, then management can determine the cost drivers in that service objectively and tailor solutions which minimize the cost to the consumer while still providing a value added service.

Third, user fees introduce rational economic behaviour and reduce abuse. By having consumers pay directly for certain government services, this reduces the drain on public resources and abuse of the system by certain individuals. For example, users of toll highways would bear the full cost of that highway's maintenance and upkeep through tolls paid. It would also reduce the abuse of services by excessively frequent users by charging them for every unit of such service consumed. This would ensure that there are adequate resources available to service the maximum number of consumers in a value added manner.

Finally, user fees allow operations to become self-financing. If user fees are used solely to finance the related activity, it negates the necessity of increases in taxes. This means that taxation revenues can be used to finance fundamental operations which, due to their nature, cannot be financed by facility charges or other similar levies. In fact, implementation of such a system on a broad scale would give the provincial and municipal

governments the opportunity for tax relief as many operations become financially self-sufficient, thus opening up surpluses in general revenues.

Mr Chairman, it is these inherent advantages which make facility charges a viable tool for governments to maintain services while keeping operational flexibility and minimizing the tax burden on constituents. Local government will be given the flexibility to determine which services should be provided by the state, which ones should be funded by general taxation revenues, and which services should be funded by user fees. By having various services paid for by user fees, more general taxation revenues are available to finance key operations, as I've mentioned earlier. This would mean improved primary operations such as police services, fire protection and other services, with surplus revenues being used to reduce government debts, with the ultimate goal of returning funds to the people in the form of tax relief. In the long run, the contained debts and lower taxes would stimulate the economy and would therefore raise the standard of living of the populace.

Ontario's fiscal situation has resulted in a leviathan of a government, excessively high taxation levels, sisyphian policies and regulations, and a diminishing standard of living. The problem is not due to a lack of taxation or revenues. Increases in personal income taxes will only result in revenue decline as real tax rates are on the downward slope of the Laffer curve. Therefore, it is necessary to reassess all fundamental aspects of government expenditures.

First, it is imperative that the role of government at the provincial and municipal levels be defined in order to determine which services are best provided by the province, the municipalities, or by the private sector. Upon defining their respective roles, governments must be given the flexibility in establishing services and financing them in order to maximize efficiency in value added while minimizing the cost to taxpayers.

The amendments to the Capital Investment Plan Act and the Municipal Act detailed in the Savings and Restructuring Act would be a positive step in that direction.

**The Chair:** Thank you very much. We have a little more than five minutes per caucus for questions. We'll begin with the third party.

**Ms Martel:** I was interested in your comments about the benefits of the user fees that will now be permitted under the Municipal Act. One of the benefits you talked about was that this would encourage rational economic behaviour and discourage abuse. I wonder if you can tell me how a municipality charging kids to use a library and take out books is going to encourage rational economic behaviour and discourage abuse.

1410

**Mr Day:** On a fundamental aspect, the idea behind it is that by making some sort of relationship behind it, people are encouraged to respect and take care of these assets that they're obviously paying to use, for example, books. One of the problems that I would assume, although I cannot directly vouch on behalf of the libraries, is the deterioration of books and manuscripts due to people who use these facilities and do not necess-



arily take the utmost care of them. By bringing in some sort of relationship between the cost and the use behind it and by having supplemental charges, for example, for abuse that's related to it, you would bring about encouraging less abuse of these facilities.

**Ms Martel:** I think you'd want to check with the libraries to see if there's that kind of abuse that you've just mentioned. But let me ask a second one. How would having a poll tax or a head tax in a municipality encourage rational behaviour and discourage abuse?

**Mr Day:** First of all, the Savings and Restructuring Act does not per se mention a poll tax.

**Ms Martel:** Oh, there's some disagreement about that.

**Mr Day:** The municipalities would obviously have that option to do so, but it would be political suicide for them to implement such a tax, as the populace, I would assume, would not want a shift of the revenue base from a property base to a per-head base. Therefore it would not be a viable alternative for the municipalities to implement such a head tax.

**Ms Martel:** So why would the government put that in the legislation and allow the municipalities the opportunity to do just that?

**Mr Day:** Because if the people of that municipality believe that it's a better and more equitable means of raising revenues, then it is their prerogative to implement such a version of taxation.

**Ms Martel:** Do you want to tell me how a gas tax in a municipality, particularly some in northern Ontario where there's not a good public transportation system and where people have to use their car to drive to work, by and large, is going to promote good economic behaviour and discourage abuse?

**Mr Day:** It wouldn't necessarily reduce abuse or promote rational economic behaviour per se, as you've mentioned. In addition to that, a gasoline tax is not a user fee per se; it's just an alternative source of revenue. Once again, it's up to the municipalities to determine whether this is in their better economic interests. As the forces of competition would come into effect, most municipalities would probably refrain from introducing a type of gasoline tax, as many residents, if the possibilities were given to them, would probably purchase their gasoline in another district where their taxes were much lower.

**Ms Martel:** I think that most people who would come before the committee would argue that a levy, a fee, some portion of gas going back to the municipality, is a tax; there's no other way to describe it. If you don't think the municipality is going to use it, why on earth would you put in legislation the power that would allow it to do that? Why would you give them that power if you were concerned about the use of all of those things?

**Mr Day:** The main idea behind it is the whole concept of flexibility and the ability for municipalities and for governments to change as needs see fit. In particular response, I believe that gasoline taxes and levies would probably be much more beneficial to residents than an increase in property taxes or income taxes, as there is a degree of discretion involved with their purchases; the fact that property taxes and income taxes are involuntary contributions, the fact that people do have the option of whether they're going to purchase more gasoline or not

or the levels of gasoline, to some degree. They do not have complete liberty in that sense because of the fact that most people do have automobiles and do need to use them, but it is a more acceptable alternative than increasing property taxes and income taxes.

**The Chair:** Thank you, Ms Martel. Let's move to the government side. Mr Young.

**Mr Young:** Bill 26 does not empower municipalities to collect poll taxes, head taxes, gas tax, sales tax or income tax. If anybody would like to that written legal opinion, it's been tabled with this committee from the legal services branch that it does not empower that.

But with regard to actual taxes, I was very interested in your comments, because we have hidden taxes that we pay that most people, because they don't see them, are unaware of or they don't view them as a tax. So I was interested in your comments that we have among the highest taxes, in North America anyway, and the hidden taxes, which are higher interest rates and the value of the dollar. When we succeed in our goal of lowering government debt and getting Ontario back on track, who will benefit the most in our society? I realize it's a wide-open question, but who will benefit the most when we have our books balanced and we've been able to reduce our taxes?

**Mr Day:** An analogy, although it is not a completely appropriate one, is the example of New Zealand, which has implemented similar reforms and which, if I'm correct, the present government is looking at as a possible model. New Zealand had a problem with crippling debt, which it has now reduced. It is now running a government surplus and is bringing in tax relief, which has resulted in their currency being appreciated considerably over the past 11 years since they had the currency crisis in mid-1984.

If I were going to interpret those results, the greatest benefactors would be the working people of Ontario, the people who are trying to save for a mortgage, people who are trying to save money to purchase an automobile, people who already have a mortgage on a five-year term and are constantly susceptible to various interest rates. I believe it is people who are usually borrowers—houses, cars, durables—who would have the greatest benefits out of this, as they would be able to enjoy the benefits of what this province has to offer them at a lower cost.

**Mr Young:** I'm really interested in your comments on rational economic behaviour and free services. Everybody knows things aren't free, and what we're trying to do with Bill 26 is create an environment where people see what services actually cost. I know of one municipality where they brought in a small user fee for garbage, and the amount of garbage collected dropped 40%. Can you comment on that?

**Mr Day:** Based on my own experience, various areas around the town of Wallaceburg have private garbage collection, and in discussions with residents there, the amount of garbage and waste they produce is considerably less than in areas where they have the city taking care of their refuse disposal. With that direct relationship between the cost of the service and the benefits they receive, there is less waste as a result. It would be very beneficial if people could see a more direct relationship.



**Mr Young:** You mentioned the role of governments being redefined in providing services. Can you amplify on how that would help us reduce costs overall?

**Mr Day:** Fundamentally, it is necessary for the people of Ontario to determine what government should do and what it shouldn't do. The government is not this leviathan able to provide all things to all people. It is not a nanny. It cannot be everything. It is not cradle-to-grave. We don't live in the former Soviet Union and we don't live in Sweden. The idea behind it is that people are ultimately responsible for themselves but that government will take care of things when there is an absolute necessity and it's in the needs of the population as a whole. I believe these goals have been somewhat myopic, due to the fact that people do like receiving these government services but they don't want to pay for them. It's that paradox which is leading to our current fiscal crisis. There's a need for frank and honest discussion among all people in this province to redefine government.

**Mr Phillips:** I appreciate the chance to hear from a true believer in the Common Sense Revolution. In one so young, it's interesting.

I will just say there's been no legal opinion, by the way—this is an aside view—tabled on poll taxes. You won't find the word "poll tax" in there. You haven't read it, obviously, if you can—

**Mr Young:** I've read it.

**Mr Phillips:** Then table the poll tax one. It hasn't been tabled with us.

**Mr Young:** There's no reference to a poll tax.

**Mr Phillips:** There's no reference to a poll tax—exactly. My colleague said it permits the poll tax. You said a legal opinion has been—there hasn't been a legal opinion. You haven't read your material.

But let's stay with the witness. You talk about rational economic behaviour, and we appreciate that. The government's plan in the Common Sense Revolution is that it wants to cut the deficit. We have a huge deficit problem, as you acknowledge. The government wants to cut \$8 billion of spending, and that touches everyone in the province. We've got to cut municipal spending, we've got to cut health spending, although they said they wouldn't. We've got to touch everybody.

Why are we doing that? It says here it's to fund a \$5-billion tax cut. We're going to cut \$8 billion; \$3 billion of it goes to the deficit, \$5 billion goes to fund the tax cut. As you well know, having studied this plan, over the next five years the government is going to pay out \$20 billion in the form of a tax break. And by the way, it has to borrow every penny of the \$20 billion, because we're going to run a deficit over that same period of \$22 billion.

1420

In terms of rational economic behaviour, if you were running this company and it were running a deficit of \$8 billion, would you be able to go to the bank and say this is rational economic behaviour to declare a \$5-billion dividend—a tax cut, a tax cut that goes to the best-off—if the deficit were such a crucial problem that all of us have to fight it day in, day out, 24 hours a day?

**Mr Day:** Even though the analogy you use is rather stercoraceous, the fundamentals behind it are quite

simple. It's just based on supply-side economics. If you understand macroeconomic assumptions, what I was mentioning earlier about the Laffer curve, the idea is that an increase in the tax rate does not necessarily result in the same increase in taxation revenues.

As history has shown us with the US federal government and in England when they had tax reforms in the early 1980s, government revenues doubled once the marginal tax brackets were lowered and the number of brackets were reduced. The reason is that people have more disposable income and are able to spend it in the economy, which creates jobs and creates more wealth and more investment, which in turn creates more taxation revenues.

Therefore, the concept of a tax cut is a very viable alternative because it provides the people who can least afford a tax increase, who are the people in the lower income tax brackets, the opportunity to spend more money and to put more money into the economy, to save more, to buy more, and this would in turn create more taxation revenues. Therefore, the tax cut is a very viable alternative in this overall model.

I can understand your concerns over the deficit and the debt, but macroeconomic examples—I mentioned the United States, England and also New Zealand—have shown that there have been several revenue benefits out of implementing such a model.

**Mr Phillips:** I've asked for those studies. No one's been able to show me that this plan of asking everyone to cut, cut, cut to fight the deficit and then to give out a \$5-billion tax cut—if you're making \$150,000 you're going to get \$5,000 more a year, all in the name of fighting the deficit. We are taking \$8 billion in cuts and then giving \$5 billion back in the form of a tax break.

If this plan is going to work so well, why is it that the government itself in its own document, its fiscal statement, is predicting that the number of people in Ontario out of work in 1996 will be higher than it was in 1995, and then it will be higher in 1997 than it was in 1996? In other words, two and a half years into this amazing Common Sense Revolution, there are going to be more people out of work in the province than when Mike Harris became Premier. If this great fiscal plan is working so well, why would the government say there are going to be more people out of work halfway through its mandate than when it came into government?

**Mr Day:** It's really quite simple. In restructuring government you are obviously going to have displacement costs due to the changes being implemented. If I may refer back to New Zealand, there were significant displacement costs as there was lower productivity when tariffs were reduced and also the elimination of many civil service jobs. Unfortunately, when tax cuts and more revenue is given back to the people, there's usually a lag anywhere from one to two years before the benefits actually become tangible to the public, and that is probably why those projections have increased unemployment numbers during the next two years.

**The Chair:** Thank you, Mr Day, for coming forward and making your presentation to the committee.

**Mr Young:** On a point of privilege, Mr Chair: I stand corrected. The written legal opinions refer to gas tax,



sales tax and income tax, not to poll tax. There have been other comments from the minister on poll tax.

**Mr Phillips:** Mr Chair, on a further correction, it does not say in this legal opinion that it is illegal for the municipalities to impose a sales tax. Either I've been given a different version from the member's—mine's dated December 21. First, he's corrected on the poll tax, but my legal opinion does not say it's illegal to impose a sales tax municipally. Perhaps he has a different, confidential legal opinion.

**The Chair:** I believe both members are referring to the same documents, tabled December 12, 1995, and December 21, 1995, to the committee. How the two of you choose to interpret it is up to both of you.

#### SUDBURY REGIONAL POLICE ASSOCIATION

**The Chair:** May I please have representatives from the Sudbury Regional Police Association come forward. Welcome. You'll have half an hour today to make your presentation. You may wish to leave some time for questions and response from the three caucuses. I'd appreciate it if you'd introduce yourselves.

**Mr Daniel Zembrzycki:** Good afternoon. I'd like to take this opportunity to thank the chairman and members of the committee for the opportunity to be here. With me are Austin McGaughay, second vice-chairman of our association; and the president of our association, Arden MacDonald. My name is Daniel Zembrzycki. I am a director of the Sudbury Regional Police Association. I am also a constable with the Sudbury Regional Police Service and have been for the past 12 years.

I am here before you on behalf of 212 police officers and 73 civilian members of the Sudbury Regional Police Association. I am here to express anger, frustration and dismay over the abandonment of the promises made by Mike Harris and the Progressive Conservative government to guarantee police funding.

You're well aware of our concerns. We'll be short, to the point, and we won't belabour the issues.

If Bill 26 is passed today and municipalities across Ontario are forced to trim budgets, cuts will be made to law enforcement, thus jeopardizing public safety—yours and mine.

In 1992, Mike Harris told thousands of police officers that he would provide more priority for policing. He told citizens, "Funding for law enforcement and justice will be guaranteed." During the election, Mike Harris told police his government would "take the cuffs off the police and put them on the criminals by giving the police the support and tools they need to fight crime." Throughout the Harris campaign, promises were made to us, and we believed them, hoping for a bigger and brighter future. On November 29 we stopped believing you.

Presently, our service is 18 officers under staff complement. To date, criminal activity is on the rise, particularly crimes of violence, such as those in the media, and robberies. This has all been documented by Statistics Canada figures that show huge increases over the last decade in virtually every community in the province. It is also a known fact that in Sudbury we're substantially understaffed compared to the national average of police

officers to the population they serve. Thus, with the increase in violent crime, our ability to respond to these crimes is being decreased and eroded.

We have recently lost one of our members to violent criminal activity. Citizens of course were shocked, stating that this only happens in the larger metropolitan centres, not here in Sudbury. None of us is immune to crime. It can happen to anyone. It can happen here. It has happened here.

As police officers, we find it unacceptable that our citizens, our children, our families don't feel safe in their own communities, and it is clear that our priorities must change this minute. It is just not acceptable to have 20 officers retire without their immediate replacement.

1430

Police management and police services boards will simply inform the public that all is well. They will proudly tell you they are committed to maintaining front-line policing and 24-hour services in the outlying areas of our region. In order to maintain front-line personnel, valuable but low-profile specialized units are decimated. Our members are transferred out of traffic branches, street crime units or community services branches in order to fill the front-line "bodies in blue."

Safety is suffering. The reality is that we need more than just front-line personnel. Front-line officers listed on paper do not translate into officers on the street protecting you, the public.

We have been told that schedule Q is also intended to prevent excessive increases in the public sector with claims that arbitrated settlements exceed negotiated settlements by an average of 2% per year. In police labour relations that simply is not true.

Police personnel are precluded from any strike action and look for the opportunity to resolve disputes in a fair and equitable manner. If the proposals put forward by our employers are accepted by this committee, the collective bargaining structure as we know it will for all intents and purposes be eliminated.

The Sudbury Regional Police Association is united with our municipal and provincial counterparts. We implore the government of Ontario to fulfil its promises to our citizens. Impose a moratorium on police funding cuts and exclude police services and police personnel from the provisions of Bill 26.

**The Chair:** Thank you very much. We have seven minutes per caucus for questions. We'll begin with the government caucus.

**Mr Tascona:** I thank you for your presentation. I certainly understand the situation. I'm from an area, Simcoe Centre, down in Barrie and we certainly have issues confronting the police services board and the changes that have to be faced there. I know, though, that the act does not change the process in terms of dealing with municipal budgets. If there is a problem with respect to the services being provided, if there's a dispute between the board and the municipality, you still have the appeal process that you can go through.

I also note in schedule Q the approach being taken by the associations that we met on Friday. Are you aware of what was put forth to us last Friday?

**Mr Zembrzycki:** Yes, we are.



**Mr Tascona:** You received their submissions?

**Mr Zembrzycki:** Yes, we did.

**Mr Tascona:** Do you share the views of what was put forward to us in terms of schedule Q on the alternatives?

**Mr Zembrzycki:** Very much so.

**Mr Hardeman:** I would just like to go back to the issue of accountability or the responsibility for the budgets. You mentioned the decrease in funding to municipalities as having an impact on the police services budgets at this time, and in relation to what Mr Tascona just mentioned, the fact that under the present legislation, and the police services board being totally responsible for the budget, that it would be improbable, if not impossible, for that to have a direct impact unless the police services board was in favour of such an impact. They set the budget and the municipality funds that portion of the budget.

Is your submission suggesting that you are seeing problems with the police services board recognizing the need for the level of policing?

**Mr Zembrzycki:** Yes, that's what we're seeing. We don't want to be lumped into a municipality budgetary process whereby the municipality is given a knife to cut money and essentially bodies from our ranks.

**Mr Hardeman:** Taking that one step further then, your concern is losing the police services board in exchange for becoming a committee of local council. You would be looking for an exemption in the act to a police services board being in the privy of council.

**Mr Zembrzycki:** Yes, that's correct.

**Mr Hardeman:** That would solve that concern that you would have?

**Mr Zembrzycki:** Not 100%, but you'd be on the right track.

**Mr Hardeman:** In your answer to the first question you also expressed some concern that your police services board was not recognizing the need for the level of policing in the municipality. Do you have any recommendations or any suggestions, assuming we were not going in the direction of it being under the mandate of council, how we could correct or look at the problem to have the governance of police services recognizing the need of police services?

**Mr Zembrzycki:** That's a difficult issue. It would appear that everybody wants, everybody needs, policing. There are many ways today that policing has branched out into the community, one of them being community-based policing. We're making every effort to combat crime from a proactive sense as compared to a reactive sense. We are changing with the times and we would hope that your government is also changing with the times and is also going to assist us in our new endeavours to fight crime.

**Mr Young:** I'd just like to comment. I've worked with Crime Stoppers as a volunteer in my neighbourhood, which is north Oakville and north Burlington, and community policing. I totally support the police and I appreciate what you're saying. I've been very proud of a number of initiatives that this government has done which immediately gave you police permission to use hollow-point bullets and bring in a victims' rights bill, as well as the appointments to the parole board; I was particularly

happy that 95% of them had experience in law enforcement. We'll continue to bring forward those initiatives.

If you have a second to comment on the changing nature of policing, like community policing, police in my neighbourhood don't come to calls about barking dogs or arguments over fences any more, so there are fewer demands on them in those areas. That's true, isn't it?

**Mr Zembrzycki:** No, not really, sir. You've got to understand, first of all, that when you want a free service and you have a problem, who are you going to call initially? It'll be the police, be it a barking dog, a neighbour dispute, a parked vehicle etc. We are not looking at cost recovery right now. Maybe that's something we will be looking at down the road. Perhaps I could take a few steps back.

You mentioned Crime Stoppers, you were on the board with Crime Stoppers and you're quite aware of the system, how it works where people call in with tips and those tips are acted upon by police officers in investigation. Would you be satisfied if there was a backlog of 50 or 75 tips that were sitting in a computer somewhere, where there weren't significant amounts of officers to deal with that information and we had crucial, vital information to go to make arrests, seize stolen property, seize drugs, and we just didn't have the officers to act upon it? Would you be satisfied with that system?

**Mr Young:** I wouldn't be happy with that. Is that the situation in Sudbury right now?

**Mr Zembrzycki:** I understand that a lot of the police services are having that problem. Their call load is based on a priority basis and they have to attend to those priorities before they can even look at the Crime Stoppers backlog.

**The Chair:** Thank you. We must move to the opposition's time now.

**Mr Bartolucci:** Thank you very much for your presentation, Dan. I came across a resolution in our readings and I'd like to read a few "whereases" and the "therefore" and ask you if you support it:

"Whereas the government of Ontario made commitment in the Common Sense Revolution to the people of Ontario that funding for law enforcement and justice will be guaranteed; and

"Whereas the Premier of Ontario and members of his cabinet have further reinforced this commitment in their promises leading up to the 1995 provincial election; and

"Whereas the government of Ontario has not lived up to its commitments to maintain police funding and has introduced legislation that will enable municipalities to further reduce funding levels;

"Be it therefore resolved that the Police Association of Ontario, representing the 23,500 front-line police personnel in the province of Ontario, calls upon Premier Harris, Solicitor General Runciman and the government of Ontario to take immediate steps to fulfil their election promises by placing a moratorium on reductions to police funding levels and to exclude police services and police personnel from the provisions of Bill 26."

That's from your provincial association. Do you support it?

**Mr Austin McGaughay:** That is correct.



**Mr Bartolucci:** Austin, before the election or during the election, of course, all candidates debated with the police association and we did locally, certainly, and you received our views, you received the views of the Conservative Party and those of the NDP. By and large, the association supported the Conservative Party. I think that's common knowledge. Do you feel betrayed by them?

1440

**Mr McGaughay:** We do at this stage because we are of the opinion that their views have completely changed. Prior to the election we had the now Solicitor General, Mr Runciman, at a Police Association of Ontario meeting in North Bay, right in his own area. At that time Mr Runciman stood there and assured all the associations represented there that he would take the handcuffs off and let the police take back the streets and give them back to the public.

**Mr Phillips:** Now they're on the arbitrators.

**Mr McGaughay:** That's what he assured us and he has not done that at this stage.

**Mr Phillips:** They're on the arbitrators.

**Mr Bartolucci:** Section Q is very interesting. I spent a little bit of time on the police services board and spent some time negotiating. Really, if you don't have a fair and level arbitration process, do you in fact have any bargaining power at all? Dan.

**Mr Zembrzycki:** No, sir, you don't. You've got to understand that we don't have the right to strike. We don't look forward to strikes. We deal with them on an occasional basis and we bear no pride in doing that. But we're not allowed to strike; that's not what we're looking for. We're looking at a fair and equitable process and obviously, if you take our right to arbitration away, where has the fairness gone?

**Mr Phillips:** I don't think there's much doubt that there was some bargaining going on at a table you weren't at. That was between Mr Leach and the Association of Municipalities of Ontario. They were told their grants to the municipalities were going to be cut by about 50% and they said, "Well, all right, give us something back." So as I said before, he said he was going to take the handcuffs off, but he put them on the arbitrators. There is no doubt—even the government would admit it—this essentially directs the arbitrators on how to make a decision. If the field was like that before, there's no doubt it's like that, and you're there.

I guess my question is this. You looked at legislation across Canada. Have you found any legislation that directs arbitrators to make decisions both in the settlement of remuneration and also allows them to enter into decisions on service levels? Does that exist anywhere else in Canada?

**Mr Zembrzycki:** Not to our knowledge.

**Mr Phillips:** In terms of I guess the relationship you will have—I assume the Sudbury council is, as other councils, fair and what not—just in terms of the bargaining relationship between yourself and your employer here and frankly around Ontario, how do you think that will impact the relative bargaining positions of the two parties when they sit down to discuss the contract?

**Mr Zembrzycki:** It's definitely going to be one-sided from now on if this is allowed to go through as it is.

**Mr Phillips:** In terms of the relationship between our policing community and the community as a whole, I don't think there's any doubt when the election was on it was pretty clear that this was, "We are 100% supportive of our police community." One of the reasons they got elected, frankly, was because of that commitment, and now we find, barely six months into their election mandate, into their government, I think it's fair to say, the biggest change in collective bargaining between police and the municipality is this proposal here. I don't think there's been anything as sweeping as this since collective bargaining started between the police. What is likely to be the impact on morale in our policing community?

**Mr Zembrzycki:** It really can't get any worse, sir. It's got to get better, and that's why we're looking for positive changes from this board and this review process.

**Mr Phillips:** In terms of the section you touched on briefly, it says here the arbitrator, in making the decisions, shall consider the following:

"2. The extent to which services may have to be reduced...."

By the way, we've heard many mayors come in here and say that's what it means, that the arbitrator can make the decision on the extent to which services may have to be reduced. What's your organization's view on the arbitrator having that power to determine the levels of service?

**Mr Zembrzycki:** I think you have to look at the budget process. The police budget in itself is probably 85% to 90% wage-heavy. So when you say a 5%, 10%, 15% cut, you can only cut so many vehicles and so many pens and pencils. When it comes down to brass tacks, you're going to lose blue bodies on the street.

**The Chair:** Let's move to the time for the third party.

**Ms Martel:** I want to begin by asking a question about what you might have been told by the Tory candidates that your association would have met with before the election. I know certainly Sharon Murdock and I met with your association and we responded to a number of concerns and questions that were raised. I wonder if when you met with the local Tory candidates, they promised you that a Mike Harris government would not cut funding for police.

**Mr McGaughay:** Basically what they were saying is the same thing that was being said on a provincial level, that before anything else, they would not touch or reduce police funding so that we would not be able to do our job.

**Ms Martel:** I would expect that when you told members of your association that, your members believed the Conservative candidates when they told you that, didn't they?

**Mr McGaughay:** I believe so.

**Ms Martel:** Do you think that a fair number of your members voted for the Conservatives based on that promise?

**Mr McGaughay:** I don't know. I can only assume. I don't have any numbers.

**Ms Martel:** You find yourself now in a position where in fact you have a massive cut in grants to the municipal-



ities, which will in the end result in probably cutbacks to police services. You've got almost a 50% cut in the transfers, and some of that money would have paid for policing. You'll have municipalities now in the position that they'll have to cut police services; probably the same here in Sudbury. When you met with the Conservative candidates, were you given to understand that that would happen?

**Mr McGaughay:** No.

**Ms Martel:** You also now have a provision in Bill 26 which, frankly, effectively guts any ability you have as an association to bargain collectively in the province. You have the spectre that now every arbitrator has to take into account the employer's ability to pay, and that will in effect render the process for collective bargaining null and void. When you met with the Conservative candidates, did they tell you that was also coming down the pike?

**Mr McGaughay:** It wasn't even an issue then.

**Ms Martel:** Can you tell me why either the Conservative candidates or Mr Runciman or Mr Harris told you one thing before the election and now are doing something completely different?

**Mr McGaughay:** I don't know. I can only assume that somewhere down the road they've come up with new information or something. But it's a complete turnaround as far as I'm concerned.

**Ms Martel:** I just got a copy this week of a letter that Mr MacDonald sent off to Mr Harris actually. It was quite a strongly worded letter outlining the concerns that the association has with respect to Bill 26 and with respect to the funding cutbacks to municipalities which will result in a funding cutback to police services. On page 2, it very clearly says: "Our members would rather not have your government betray the citizens and police communities of Ontario. We ask that you reconsider these issues carefully." I think that's pretty strongly worded, as your brief was today.

How do you feel about having to be here today and, in essence, try to describe your feelings about the betrayal that has now been put in front of you?

**Mr McGaughay:** We really didn't intend to be here today. We're policemen. We're supposed to be out on the street protecting the citizens of our community. We're not politicians. We leave that up to you learned people.

**Mr Gerretsen:** Careful with the word "learned" now.

**Mr McGaughay:** This is not our area. So yes, we feel betrayed. I don't know what's going to take place.

**Mr Silipo:** One of the interesting things about the arbitration situation—as you point out, and certainly others have; your provincial association made it quite clear to us, as have the firefighters—is that, first of all, very few instances of negotiations involving firefighters and police end up before arbitration. So the need to impose these draconian measures isn't even justified by virtue of the experience, because the experience has been anywhere between 10% to 15% of situations going to arbitration. Has that been the situation here in Sudbury as well?

**Mr Zembrzycki:** Yes, basically that is the situation. We have not gone to work to rule, we have not held back on vital services. We're sworn to protect the public and

that's exactly what we're going to do, regardless of what's going on in the back lines.

1450

**Mr Silipo:** Now, as you know, the association that represents your direct employers, the association of police service boards, as well as AMO and a number of municipalities, have said to us that not only do they want these provisions around arbitration, but in many instances they want them to be even tighter. They've suggested some changes so as to in fact say that the ability to pay should be further restricted to be ability to pay without any resort to any tax increases. We've categorized it and I think it's fair that your association has categorized this also: It's just simply another way of wage controls.

But the interesting thing here is that we're not talking just about firefighters and police. They're the two groups that are most directly and probably most largely affected, but you're being used, quite frankly, it seems to us, as a way to try to set what would then become a pattern of settlement for the rest of the public sector and indeed, as some people have said, even for the private sector.

I guess my question is, how does it make you feel, as the people we rely on, together with firefighters, to keep our communities safe, to know that you're being used for some end in that way?

**Mr Zembrzycki:** We're definitely not proud of that. We're running on skeleton crews now, as you're well aware. If you've been involved in a motor vehicle collision or if you've had your house broken into and had to wait eight, 10, 12, 14 hours for an officer to attend, you're not going to be very happy when we walk in the door. And yet the officers come in with a very high sense of pride. We do represent a service that we are proud to represent. We take the brunt of the heat from the public on to our shoulders. We only show you our professionalism as such, and we will continue to do this regardless. However, morale is another key issue that we have to look at.

**Mr Silipo:** I hope the government listens to you.

**The Vice-Chair:** Sorry to interrupt, but we are out of time. Thanks very much for your presentation.

**Mr Zembrzycki:** Thank you.

#### ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 31

**The Vice-Chair:** At this time we have the OSSTF, District 31, Michel Gravelle, the president.

Welcome to the proceedings. Can you just identify yourselves for Hansard and for the committee.

**Mr Michel Gravelle:** Good afternoon. I am Michel Gravelle and I'm speaking to you on behalf of the Ontario Secondary School Teachers' Federation, District 31, Sudbury. Accompanying me today is John Filo, parent, ratepayer, member of the working class and a supporter of public education. John will outline the effects of Bill 26 on the students and the families we serve.

Even though I welcome the opportunity to express my concerns regarding the proposed Savings and Restructuring Act, Bill 26, I sympathize with the many individuals who were not permitted to exercise this democratic right.



I also would like to express my appreciation to those NDP and Liberal members of this committee who attended the shadow hearings last night and heard from a number of individuals and organizations how Bill 26 is an attack on children, women, the poor, the elderly and the working class of this province.

This government is bordering on dictatorship and is threatening democracy itself. This unprecedented and sweeping omnibus legislation threatens the social fabric of Ontario and will cause irreversible damage to the public services and the people whom they serve.

I'm appalled that a democratically elected government would introduce this legislation that would permit decisions to be made by regulation, ministerial direction or administrative order without parliamentary debate or meaningful opportunity for public scrutiny and without community, local or stakeholder input.

Furthermore, it is intolerable that the government grants itself immunity from other laws and court procedures that would otherwise prevent such irresponsible actions. This government is saying that with this bill it can make a new law, and if the new law it makes breaks any existing laws, then the government has the authority to make another law with impunity.

This government may know the language of the bill, but does it realize the full implication of passing Bill 26, which would enact or amend over 40 separate pieces of legislation?

Since it would be an extremely tedious and time-consuming task for most individuals to fully understand the meaning and implications of all the articles of Bill 26 in its entirety, nor is it possible in such a short presentation to comment on all aspects of this massive piece of legislation, I will leave it to people more knowledgeable in other areas to address these questions. I will comment on the few articles that I am familiar with and those that I hold close to my heart.

For a number of years now I have been personally involved in collective bargaining. Over the years, OSSTF and the Sudbury Board of Education have developed a good working relationship. Through the good times and the bad we have been able to sit down and iron out our differences and were always able to reach a compromise.

Even through the social contract negotiations, if I can really call that negotiation, a mutually agreeable solution was reached. The system works. Over a period of years, through free collective bargaining, a mutual respect for each party has evolved. Bill 26 will destroy the cooperative atmosphere of free collective bargaining.

I would like also to comment on the proposed changes to the School Boards and Teachers Collective Negotiations Act. In schedule Q of the act, paragraph 35(1.1)1 states, "In making a decision or award, the arbitrator or board of arbitration shall consider...the employer's ability to pay in light of its fiscal situation."

Traditionally, in determining compensation matters under a collective agreement, the criteria used by arbitrators to determine wages in the public sector is comparability with employees performing similar work for the same employer or with employees performing similar work for employers in the private sector. "Ability" is an arbitrary word; "willingness" is much more honest.

The provisions in Bill 26 constitute a significant interference with the independence, integrity and impartiality of the arbitration process. Basing an award on the ability to pay would render the arbitration process largely irrelevant, since the use of the ability to pay could allow government and employers to unilaterally determine wages and benefits; governments by reducing transfer payments, and boards of education by allocating a fixed or reduced amount for employee compensation in their budgets. This would undermine the process of free collective bargaining itself.

There would be no incentive for boards to reach an agreement, knowing that the arbitrators would have no choice other than to award for the employer's position. This is just a continued attempt to control teachers' salaries and benefits. The social contract achieved the same thing, but in a more straightforward and honest way. OSSTF will not stand for any government to finance education on the backs of its teachers and other board employees. In the past, our demands and collective bargaining requests have always reflected the economic reality of the province and the community.

Paragraph 35(1.1)2 states that an arbitrator or board of arbitration shall consider "the extent to which services may have to be reduced, if the current funding levels are not increased."

An arbitrator should not have to take on the responsibility of the democratically elected trustees in deciding the appropriate level of service that will be delivered. Trustees should not be absolved of their duties, no matter how difficult decisions are in these times.

Equally disturbing is paragraph 35(1.1)5, which states that an arbitrator or board of arbitration shall consider "the employer's need for qualified employees."

Qualifications have been established by carefully regulated practices relating to the level and type of service delivered. This is an attempt to get the presently qualified people to perform the same work for substandard wages.

1500

Subsection 3 states that arbitrators or boards of arbitration "shall consider...the economic situation in Ontario and in the municipality or municipalities served by the board." Since neighbouring municipalities may have very different commercial and industrial tax bases and economic realities, there could be large inequities between the compensation of the employees in both neighbouring municipalities.

Free collective bargaining should be allowed to continue. There is no need to amend the School Boards and Teachers Collective Negotiations Act.

I agree that the provincial deficit needs to be addressed and a more cautious approach to spending is needed. Bill 26 is too much, too fast, without sufficient public input and study, not to mention the lack of parliamentary debate.

Solving our provincial deficit must not be done at the expense of public service employees and the services that Ontarians deserve. Alternatives must be considered.

I would like to take this opportunity to remind the government of the OSSTF confederated school board model. This is an idea whose time has come. This is a viable alternative which could save millions of education



dollars while protecting the constitutional rights of both francophone and Catholic ratepayers. I thank you for your time and attention. I sincerely hope this government will listen to the people on those behalf it governs.

**Mr John Filo:** I'm sitting here to let this committee know that the concerns that Michel has outlined here are not the concerns of a special-interest group that calls themselves secondary school teachers. I'm here as a parent and as a ratepayer and as the son of an immigrant. The immigrant settled in Hearst during the Depression, cleared some government land, raised a productive family and ensured that I received eight years of post-secondary education. I want to tell you that I'm proud to be a product of our educational system.

I represent unionized workers, wearing my other hat, and for those of you who are unfamiliar with history, more than 100 years ago organized labour campaigned for free public education. The system that we've got here in Ontario is a good system. I heard Mr Sampson speak about productivity, and that brings into mind the yardsticks that are used to measure effectiveness. Well, I'll tell you, if you've travelled the world as I have, you'll know that Ontario has an excellent educational system. It can be improved, but it should not be tampered with the way it is going now.

Let me just speak about some of the general auras and environments concerned with the tabling of this Bill 26. In our schools we teach our children the value of democracy. I have a nine-year-old son and I explained to him some of the basis on how Bill 26 was introduced and I gave him a rundown on some of the debate that has taken place in this committee, and of course he's watched some of the proceedings on television.

The committee, especially the Tory members of the committee, can perform a great service to this province. The strident, partisan way in which you're sitting in on these hearings is something that you should reflect on. You are becoming the special interest group. I'm sitting here with the secondary school teachers. I could have been sitting here with the police; I could have been sitting here with the day care people; I could have been sitting here with the environmental people. As a citizen, I can relate to virtually every brief that you have heard, with the exception of the ridiculous brief that the chamber of commerce came out with, who's wearing a golden blindfold and whose sense of justice and equity in the distribution of wealth and whose sense of fairness is not there.

We've got a province that has a deep and abiding democratic heritage. We want you to preserve that. We don't think you're doing it this way. I heard Mr Sampson say that this bill has had more hearings than X number of bills in the previous thing. Divide those times by the 47 or 48 bills that are in there and you'll see that what you are saying doesn't make much sense. Also one of your colleagues said that they fired five Hydro directors as a cost-saving measure, representing seven one thousandths of 1% of the budget of Ontario Hydro.

We have to come to grips with the situation that we have here in Ontario. I will allow to you that there may be a problem with cash flow, but we're a rich province, a province that has a highly educated workforce, a very

highly motivated workforce, and has the ability to accomplish things. People love to live in Ontario. People in other parts of the country think Ontario is a paradise.

When you come in here and say that the education system requires some sort of invented crisis in order that it can be restructured, how do our children perceive that? What sort of role models are our politicians serving as in our schools when we try to teach the democratic process to our children?

The other thing I'd like to end on is, do not mistake the language that the Steelworkers and the unionized people use for rhetoric. There is a deep sense of anger within working people and in the trade union movement. We don't want you to be the beneficiaries of that anger, but with the route that you're taking it certainly looks as if it's going to be directed towards you.

This committee has an important mandate. Do not take it lightly. Don't just vote because that's the party line. Use some common sense. Use what Mike Harris said he was going to use. Stay true to the traditions of the Conservatives that governed this party for 42 years in a caring and compassionate way.

In my other hat I'm also the president of the Sudbury District Labour Council, and we had our own shadow hearings because you could not accommodate a lot of the people who wanted to make presentations to you. We had three hours and 20 minutes of representations from ordinary citizens representing about 30,000 people that we want to present to you for your consideration.

I'm prepared for questions, as is Michel.

**The Vice-Chair:** Thanks very much for your presentation. We have a little more than five minutes per caucus. We'll start off with the opposition.

**Mr Bartolucci:** First of all, before I ask a question of Michel, John, I'd like to thank you very much for providing all the opposition members with the opportunity to attend the parallel hearings that were held last evening. Certainly we all felt that they were worthwhile and we only wish that some of the government members on the committee would have been there to hear at first hand. But I hope they will spend time viewing the video.

**Mr Filo:** Rick, can I say that these hearings were widely publicized in the community and everybody was invited, pro or con. We wanted to hear from the community at large. I'll tell you, we never got any pro-Bill 26 representation.

**Mr Bartolucci:** But we did get one person who admitted she voted Tory and was sorry after she voted.

I'd like to ask Michel a question, if I might, and it has to do with schedule Q. It has to do with the ability to pay. The government has tabled a research paper with regard to the statutory requirements for arbitrators. It's very, very interesting that the very first line of the report says, "Currently"—

**The Vice-Chair:** That wasn't tabled by the government; it was requested by this committee.

**Mr Gerretsen:** From legislative research.

1510

**Mr Bartolucci:** That's right. "Currently, no Canadian jurisdiction statutorily requires arbitrators in wage disputes to consider the ability to pay of public sector employees." Let me tell you, the reason for that is it



doesn't work. They tried it in BC; it didn't work. Alberta alluded to it, and Ontario's moving in that direction. Michel, first hand as a teacher, a guesstimate: How is that going to impact on the collective bargaining process, and what's it going to do in real terms to teachers once it's used the way we all know it's going to be used?

**Mr Gravelle:** I guess I can reply by maybe a question in saying, "What collective bargaining process," but there would be no collective bargaining process. I can't understand how and why a board of education would even want to spend the time to sit down and iron out an agreement that they know at the end of the line, all they have to do is say, "No; go to arbitration, because the playing field is still tipped in our favour and we will get what we want anyway." You have to realize one thing: that the teachers' working conditions are our children's learning conditions, and teachers are human. It's very difficult to sit in a classroom and go to work every day well knowing that you are being taken advantage of by your employer.

**Mr Gerretsen:** Has there been any discussions that your organization has had with the Minister of Education about some of these proposed changes that are contained in schedule Q?

**Mr Gravelle:** I would have to say that probably provincially our organization has attempted to do that. I know that as a result of the rally on Saturday, I heard on the news that the minister was ready to sit down with teacher federation leaders to try and iron out the proposed legislation.

**Mr Gerretsen:** But you weren't consulted beforehand about any of these proposed changes?

**Mr Gravelle:** Not that I know of.

**Mr Bartolucci:** One other question with regard to the arbitration process, because, Michel, I want you to outline to this committee, especially the government side, how it's going to cost thousands of jobs across Ontario if in fact this level playing field is totally destroyed. Explain to the committee members how thousands of teachers' jobs will be lost through unfair arbitration.

**Mr Gravelle:** I think that through reduced transfer payments by the government a board of education can arbitrarily set the amount of money that they can or are able to take in compensation for their employees, and in either giving the choice or deciding that, "We can't reduce the compensation and we have only an allocated amount of money to pay salaries; then we are going to have to reduce the number of teachers." Through continued reduction in transfer payments and the power the arbitrators are going to have, you may find drastic reductions in the number of teachers across this province, and we know how that translates in affecting classrooms. I've heard the minister a number of times saying that any legislation will not affect the classroom, and I cannot understand how this legislation and another number of proposed changes cannot affect the classroom.

**Mr Martin:** I just wanted to focus on a piece on your brief where you talk about the impact of the changes re the question of arbitration and what arbitrators have to look at and the impact that will have on northern Ontario. We have for a number of years now been trying to find ways to bring greater equity into the whole question of

how we teach kids and how we distribute resources and collect taxes and redistribute them and all of that kind of thing. In the north, for the longest time we've had a difficult time attracting specialists of all sorts, particularly and most dramatically in the area of medical care. The question is always whether communities can afford to have doctors.

But when you get into the issue of arbitrators now being able to look at a board's ability to pay and you begin to move away from the formula that's in place where if a board enters into a contract with a group of teachers, the formula that's in place helps out so that there is some level of equity re the remuneration to teachers across the province and places like Chapleau, which is in Mr Laughren's riding, and Hornepayne, which is in Bud Wildman's riding, can afford to at least come close to being able to pay teachers the going rate across the province, is there any fear in your mind—I have to tell you there is in mine—that we may end up, in the not-too-distant future, in the same situation re attracting teachers to places like Hornepayne and Chapleau and other communities that don't have the tax base that places like Sudbury or Toronto—Sudbury particularly—have?

*Interjection.*

**Mr Martin:** Anyway, the issue of attracting and keeping qualified, well-trained teachers.

**Mr Gravelle:** I think I would agree with you to say that we could see some great inequities from one city to the next. If you happen to be a poorer municipality, then your ability to pay would be greatly reduced and therefore you would not be able to pay the teachers as much as another community which would be a much richer community. You could certainly see where teachers would have the choice in going from one community to the next. Certainly they would have. It could be difficult for a community to attract certain teachers, because they would have a greater choice of going where they wanted to and they could start deciding on what their compensation is going to be just by determining where they want to work.

**Mr Martin:** We could conceivably, if we take this to an extreme then, find ourselves, particularly if this group here continues to be government, not only will telling doctors where they can practise, but we might be into a situation where we'll be telling teachers that if they want a teaching certificate they need to go to someplace that's underserved or whatever. I pass it on to Mr Silipo.

**Mr Silipo:** Very briefly, I just want to make a point and invite any comments that you have about last night's hearings and the kinds of things we heard from people. I appreciate your making a copy of the tape available to members. I hope that government members will take a chance to view it. One of the things that struck me from the hearings last night was the sense of dismay and anger that you expressed in your comments, John, about how people are feeling about the actions of this government as we see it through this bill.

The only question I have from that is, is your sense that this is pretty reflective of the community of Sudbury and the kinds of feelings—certainly we've heard that a lot today from many groups; firefighters, police, teachers and others. But I think that there's a sense that we



continue to pick up from the government side that each of these groups is here promoting or protecting its own self-interest as opposed to speaking in a broader way about the interest of the society as a whole. I wonder if you'd comment on that.

**Mr Filo:** Well, as you recall, there was one lady who said she voted Tory and now she's sorry. That's more and more reflective of the community at large. I'm in a position where many business people call me up and say they disagree with the way in which Harris is handling the finances of the province. They're responsible people, they think that there should be some sort of fiscal integrity, but they don't think it should be done at the expense of the poor, the disadvantaged, the minorities and the women.

1520

These are businessmen who wear three-piece suits and who say to me, "John, I don't want that income tax cut because what I see in the streets, what I see in the doorways, disadvantaged people, homeless people, people freezing to death, I don't want that type of Ontario for me or for my children." It's common, it's everywhere. People come up to you and say to you that this is a province you have to continue to struggle for because if the Tories get their way, we're going to need more police, we're going to need more security measures and we're going to need a different way of financing these things because—

**The Chair:** I'm sorry to interrupt, but we're getting into the other caucus time. I apologize.

**Mr Young:** I know that none of our caucus members were invited to your alternative hearings last night.

**Mr Gerretsen:** You were. I invited you at the airport.

**Mr Young:** I heard nothing about it.

**Mr Gerretsen:** Come on, Terry.

**Mr Young:** I knew nothing about it. I thought you were kidding. I'm sorry, John, I thought it was a private meeting. I'm dead serious.

**Mr Filo:** This is the sort of thing I commented on. Let's not be so brutally partisan. If you were invited to the meeting, why don't you say you were invited to the meeting?

**Mr Young:** I'm telling you, I was not invited to the meeting. Mr Gerretsen and I kibitz sometimes when we're on the road and I didn't know.

**Mr Filo:** You haven't tried the clipping service? It would have appeared in the paper.

**Mr Young:** I beg your pardon, sir. I was not formally invited to your meeting. We would have considered coming.

**Mr Filo:** The public wasn't formally invited except through advertisements.

**Mr Young:** Part of the problem is, when you don't invite members of the government, you only get—

**Mr Bartolucci:** On a point of clarification, Mr Chair: John Gerretsen, Gerry Phillips, Tony Silipo were not formally invited to the meeting. Is that correct, Mr Filo?

**Mr Filo:** That's correct.

**The Chair:** I'm sorry, Mr Bartolucci, that's out of order. We're in Mr Young's time, please.

**Mr Young:** The point I'm trying to get at, sir, is, when you don't invite members of the government, you

only get one side of the story, you don't get all the facts. We've heard numbers flung around here by experienced parliamentarians today which I feel are misleading. We're talking about 50% cuts and 40% cuts. Are you aware of how much of a cut in funding the city of Sudbury took from the government in this financial statement? Do you know it's only 5.5%?

**Mr Gerretsen:** Somebody else had 95%

**Mr Young:** This is the appropriate document. The city of Sudbury only took a 5.5% cut. The point of this bill is so that cities can restructure so they don't have to raise taxes etc.

**Mr Filo:** Is that true that the city just took that cut? What about the cuts in welfare and social assistance? What about other cuts? Why do you want to restrict it to the actual municipality grant? Why don't you speak about all the cuts?

**Mr Young:** Why don't you let me have my time? You've had your time. You said there's no stakeholder input. The Minister of Education has met ongoingly with your union since being elected in June a number of times, including attending your annual general meeting, as well as with other major unions. There's been lots of stakeholder input. As well, at these hearings we will have heard from 49 different labour groups by the time it's all said and done. You see what I'm saying? It's not fair to say there's no consultation and that no one's listening. It's not fair and it's not accurate.

I wanted to ask you, with regard to affordability—you talk about a deep sense of anger. We have felt a deep sense of anger from taxpayers who are taxed to the hilt. They don't have any more money. That's why we're including affordability in the arbitrators act. In some school boards in Ontario the teachers have what is called a retirement gratuity, which is basically a gift of a year or half a year's salary the year they retire. I've talked to a lot of taxpayers and when they find out about that they feel it's unfair, they feel it's too generous and they feel they can't afford it. Can you comment on that?

**Mr Filo:** Yes, I can comment on that. Many of those teachers were conscripted or recruited into the educational system when the salaries that were being paid were very substandard. My principal came to school on a bicycle, not a 10-speed, not a mountain bike, but a bicycle because he could not afford a car. He got into the education business because they weren't paying salaries, but they were offering such benefits as this sick leave gratuity.

If you research the educational field, you'll find that most of those sick leave gratuities are either phased out or being phased out. So sure, it looks like the wealthy banker's wife getting family assistance, but when the facts are put on the table, you'll see that the percentage of money that that represents is minuscule compared to the education budget.

**Mr Young:** We are also consulting with other stakeholders regarding the confederated school board. Can you comment on your confederated school board model and how it might help us address the scarce resources?

**Mr Gravelle:** I think in looking at reducing the number of school boards, a report came out in the fall with the reduction of the number of school boards, and



we were looking at very large encompassing school boards but still retaining the public and the separate school boards and some francophone school boards. I think that one local school board is all we need. It could be divided up with the curriculum and religion and language decisions being based on their boards, their own school jurisdiction.

I think that there could be massive savings and certainly money being reduced by administration and putting money back into the schools and maybe avoiding some problems of closing schools, which we are facing right now in the Sudbury area, and putting money back into classroom materials and books and all kinds of resources that we desperately need. It would certainly mean a lot of saving of money that is being addressed right now in competition between schools and parallel boards within one organization.

**The Chair:** Thank you, gentlemen, for coming forward to make your presentation to the committee.

#### RICHARD PENTNEY

**The Chair:** Would Richard Pentney please come forward. Good afternoon, Mr Pentney, and welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and responses from the three caucus members.

**Mr Richard Pentney:** Thank you very much, Mr Chairman, parliamentarians from the Legislative Assembly of Ontario, politicians all. My name is Richard Pentney. I've been a resident of this community all my life, which is now 57 years. I'm retired from the local community college, in which I taught the public relations and business communication courses.

I want to add some additional background and to explain to you why I'm here today. I want you to know that I was a school board trustee in the early 1970s, and once again a school board trustee in the early 1990s, 1989-90-91. Having left the school board as a trustee, I became the chairperson of the Manitoulin-Sudbury District Health Council for an additional six years.

I served on the provincial air ambulance committee, I served on the developmental assessment review committee that looked at the effectiveness of health councils across this province after they'd been in existence for 10 years, and I also served on the Healing Arts Radiation Protection Commission that ensures that when you go into a health facility to have an X-ray that the machine is fine-tuned and you do not receive an overdose.

I have been president of a local cottagers' association, and I set a precedent in fact in taking a secondary plan through the process that dealt with a body of water and its surrounding water table and the area that it covered to be added to the local official plan. I also have been a director of the Federation of Ontario Cottagers' Associations that represents 560,000 cottagers in this province.

The reason I'm detailing my background is that I want some time during this discussion to point out to you some concerns I have about what's happening in this province

and the responsibilities you have as politicians from all stripes.

Since I arrived this afternoon, I've had several people ask me who I represent. I don't represent the CAW. I don't represent CUPE. I don't represent OPSEU, although I was a card-carrying member for 23 years, eight months. I do not represent the OFL. I do not represent the Steelworkers. I do not represent the Ontario Secondary School Teachers' Federation or any of the teachers' groups. I do not pretend to represent anyone else other than myself here this evening as a person who's been involved in this province and in a variety of areas over the last 25 years. If Floyd was still here, I'd say that I've been at it longer than he was. Floyd doesn't live too far away from where I live and I've known him a good length of time.

I'm not going to pound the desk and categorically declare my detractors incompetent. On balance, quite frankly, there are more parts of Bill 26 that I agree with than I do not. However, there are some things I disagree with. Nevertheless, change is clearly needed.

Watching the Legislature since November 29, I think I can make the following generalization, and I think I can make it for a lot of other people in my community: No recognized party at Queen's Park finds the status quo acceptable. In fact, the choice is no longer truly between just change and the status quo. The choice that is before the taxpayer of Ontario is change versus the declining status quo.

Government can no longer continue to be all things to all people. Restructuring government and restoring confidence in the financial strength of the province is essential to the future of this province.

Mr Chairman, today the debt in our province, as you well know, stands almost at \$100 billion. In 1980, seven cents on the dollar was paid on the interest on debt. Today that figure stands at 20 cents on the dollar, and it is estimated that if no measures are taken, this figure could rise to 40 cents on the dollar by the close of the decade, not too far away from now.

Major change is required from all levels of government. Believe me, I can speak from experience. There must be a refocusing of the role of government in society and the role of the politician in society. Decisions must be made on what the priorities are for the people of Ontario and a commitment must be made to perform and deliver them well.

If we are to restructure government to face our current fiscal crisis, the flexibility, tools and empowerment that Bill 26 represents are in fact needed. This bill will provide the flexibility to help the government and its transfer partners restructure and streamline to provide better service for less. It will also implement measures to reduce regulations that obstruct investment and job creation.

As Ernie Eves said on November 29, the government is committed to creating an Ontario of opportunity rather than dependence, where genuine need is met with compassion and support and where government is a partner in change rather than an obstacle.

The government is doing what it said it would do. The government is cutting red tape and reducing the regulatory burden on taxpayers and companies that are trying to build a better province. The opposition parties have failed



to recognize the government's effort in this regard and continue to throw criticism at the government. Let me speak to some of these criticisms.

Last week I attended in this same room the health hearings on Bill 26. At that session, like today's, the first thing in the morning a motion was put by the opposition to extend the number of hours of public hearings. Let us talk for a moment about this hearing process.

The government House leader made an offer originally to refer this bill to three legislative committees and to hold over 360 hours of public hearings. This offer was firmly rejected by the Liberals and the NDP. Following the overnight antics of Scarborough North MPP Alvin Curling, the Liberals and NDP demanded and got 300 hours of committee hearings. That's 60 hours less than they were originally offered.

When the public hearings on Bill 26 are over, there will be more committee time on this bill than on any other bill in the previous 10 years of Liberal and NDP government.

I would suggest that if consultation from the citizens of Ontario rather than grandstanding was what the opposition wanted, then perhaps 45 of the first 80 witnesses would not have been from the unions, of which the majority were from the public sector. I think that one presentation from the CAW in Kitchener would have been sufficient, instead of four, allowing other interested groups to express their suggestions.

It should also be stated that before drafting Bill 26, each minister held extensive consultations with representatives of their transfer partners. In addition, the Finance minister met with numerous stakeholders and representatives, both public and private sector, throughout the fall. Indeed, the Common Sense Revolution platform itself, upon which the Harris government ran, got elected and is governing, comes directly from four years of direct consultation with the people of Ontario.

I would now like to address the substance of the bill itself. As you are no doubt aware, the economy of northern Ontario is very much resource-driven. Here in the north, we are particularly pleased with the changes made under the Ministry of Natural Resources and the Ministry of Northern Development and Mines. By directing all hunting and fishing revenues to a dedicated fund for resource management and conservation, Bill 26 has taken a gigantic step forward by generating needed funds for enhanced environmental protection. It is a user fee that the users have been demanding. It was promised by the Liberals, declared impossible by the NDP, and done by the Mike Harris government.

In changes to the Mining Act, the new bill maintains environmental standards and closure requirements while recognizing that every mine is unique. It offers an industry which spends approximately \$250 million on pollution prevention annually greater flexibility to achieve those standards while making room for future technological improvements. It also provides companies practising sustainable mining practices with wider opportunities to gather the financial assurance necessary to meet these closure and reclamation standards.

I have qualified support for the changes to the Municipal Act. The changes to the act will enable municipalities

to impose user fees as well as the opportunity to privatize certain services, which will provide greater accountability and efficiency and enable more grass-roots decision-making. I believe that through measures such as these, the government of Ontario is sending out a clear message that the province is once again open for business.

I'd like to say that change is never easy. It is always viewed with suspicion. However, the silent majority of Ontario, the average taxpayer, need and support the changes that are proposed under this legislation.

As I sit here and watch your deliberations, trying to make changes for the better in spite of the inertia of the status quo, I am reminded of a passage that I once read:

Thousands of years ago, the first man discovered how to make fire. He was probably burned at the stake he taught his brothers to light. He was considered an evildoer who had dealt with a demon mankind dreaded. But thereafter men had fire to keep them warm, to cook their food, to light their caves. He had left them a gift they had not conceived and he had lifted the darkness off the earth. That man, the submissive and the first, stands in the opening chapter of every legend mankind has recorded about the beginning. Whatever the legend, somewhere in the shadows of its memory mankind knew that its glory began with one, and that one paid for his courage.

Throughout the centuries, there were men who took first steps down new roads armed with nothing more than their vision. Their goals differed, but they all had this in common: that the step was new, the vision unborrowed and the response they received, scepticism. But the men of unborrowed vision went ahead. They fought, they suffered, they paid and they won.

Ladies and gentlemen and parliamentarians from Toronto, I want to add one other aspect to my presentation today. In dealing with my students at the local college, I dealt with what was considered to be image and its related studies of image of various groups within the trades. For instance, where does the school teacher stand on a scale? Where does the lawyer? Where does the architect? Where does the child care worker? Where does the politician stand?

I'm pleased to know that I likely have more credibility standing here than you do, because you rate the lowest of the low. Individually, you are all very, very wonderful individuals, but I have a very serious concern about your institution as politicians. I say this because in my last year of teaching I presented a small test to some of my students. I asked the 35 students in the class: Who is Bob Rae? Out of the 35, 32 were able to identify Bob Rae. But the question, I should add, had two parts to it. I said, "Who is Bob Rae and what party does he belong to?" These students, by the way, came from our secondary school system. Some of them also came back from our local university to attend courses and were given credit for doing so, but they had to take this course from me. Thirty-two of them, if I recall, were able to identify Bob Rae, but none of them could in fact put Bob Rae and the NDP together, out of 37 students. I even asked them who Brian Mulroney was and what party he belonged to. And guess what? Our youth certainly knew who he was, but many identified him as a Grit.



1540

**Mr Gerretsen:** That's enough. Now you've gone too far.

**Mr Phillips:** Lay off.

**Mr Pentney:** I have a very serious concern, Mr Phillips, about the fact that—

**Mr Gerretsen:** You've ruined my day.

**Mr Pentney:** Yes, John, I have a very serious concern about the image that politicians have within the province of Ontario. I plead with you—and this bill allows it to happen to some extent—to get on with the task of governing this province well. Because I don't think the people, generally speaking—and this is an in joke for some of my friends back here. I don't think that, even if the government was made up of the crew from the Star Trek Enterprise, generally the people of Ontario give two hoots in hell. All they want is to be managed well and to have a reasonable level of service provided at the most reasonable level of cost. It's up to you, all of you, to get on with the task of improving this province.

If anything last week demonstrated to me, when I saw the kerfuffle that went on in this room—and I wasn't dealing with the interest groups. I was talking to some of the people who were here just to see what was going on. Do you know what they said to each other? "What the hell are we paying these guys for?" I'm certainly clear in my mind that if we want this province to get on and be the province that we think it could be and should be, then it's your collective cooperation that will bring it about. Thank you. I stand open for questions.

**Mr Silipo:** Thank you very much for the presentation. I appreciate your perspective and I appreciate, as someone who supports the Conservative Party and Mr Harris, that you're here to support also what they're doing, and that's fair. That is also part of the process.

I take exception to a couple of points in particular that you've made. One is that the government is doing what it said it would do. We've heard from many a group and many an individual about their sense that the government is doing far different things than it said it would, if we look at some of the actions the government has taken and the positions Mr Harris took during the election on health care funding, on no user fees for health care, no cuts to health care, no cuts to the classroom in education. Time, I suppose, will bear out the truth of those, but certainly the sense at this point is that he has broken some pretty fundamental promises.

The firefighters and the police, who were both here earlier today, very clearly said, "Mr Harris has broken some key promises he made to us." In the case of the police associations, I can tell you, having heard them, the Ontario provincial association, as well as the Ontario firefighters in other settings, they were quite clear in saying: "Many of our members supported the Tory government on the basis of the commitments and the promises that were made to us. Those promises have been broken." That's part of the reality, too.

**Mr Pentney:** I appreciate the points you're making, except none of that has been translated into reality yet. The transfer of information and transfer of direction and responsibility down to the local level and the local politician has yet to take place, and I could go on, as a

school board trustee, in all the areas you've mentioned. I would suggest to you that that has yet to transpire. And the decisions that are going to be made at the local level are done in peril that if they do other than what the local people want, 1997 is not too far away and they will have to be accountable and stand up and be counted by the population who will vote for them in another year from now. If they turn around and impose a lot of user fees and make changes to the police services and make changes to the firefighters, or if the trustees make changes other than to the classroom, they will have to stand before the electorate to be judged.

**Mr Silipo:** But those changes are being made now. They're not things in the future. The police say to us, "We were told that there would be no cuts to the budget for police," but that is happening. The firefighters say to us, "Mr Harris clearly said to us"—and we saw him on tape this afternoon—"that there would be no changes made that affect firefighters and the firefighters act," but this legislation amends the firefighters act. It's quite clear, and there's been no consultation. Mr Harris said very clearly during the election that there would be no user fees on health care. There are going to be user fees by virtue of this legislation.

So don't tell me that these things may happen or may not happen, unless you know something about the amendments that we don't know. They are happening, and that is the reality of what's going on.

I don't disagree with you, and we all recognize, that changes have to be made. We're not here defending the status quo versus the Tory government wanting to make changes. We're talking about, what is the point of making changes and how do you make changes in a way that protects the basic services and the fabric of society that we've developed in this province? You don't make those changes by ignoring those things we've built up over years.

**Mr Sampson:** Thank you very much for coming today. I very much appreciated your story about the questions you asked your students. It reminds me of the reporter interviewing a group of students as they were leaving on their Christmas vacation. He put the question to them, "What's Bill 26?" and one fellow replied, "It's the bill that comes after Bill 25."

I also agree with you—keeping the theme here—and most parties would agree that the status quo must go. But what you'll find is a difference of opinion on how one effects that "must go" between one side of the table and the other, perhaps even the three parties represented here at the table.

I'm sure you're going to hear from the other side of the table, so I'll lead into this. One of the items you'll hear shortly, if you haven't already, is that our initiative on how the status quo should go is really nothing but masking an attempt to provide a massive tax cut. My colleague across the floor tried to put that in the business vernacular and say we're trying to provide a dividend to some shareholders. While I understand his attempt to use a business analogy, since he has had some experience in that, we are in fact proposing, not unlike many corporations and businesses forced to restructure because of the financial situation, to provide a rate reduction, basically a lowering in the sales price.



Really, the taxpayers are buying government services; when they send their tax bill in they buy a level of government services. It costs them an income tax rate or a property tax rate or a user fee, but they are buying something: They're buying a level of government services. What we're saying to the taxpayers is: "You've been paying too much for what you've been getting. We think we ought to provide that same level of service at a lower price." Would you disagree with that philosophy?

**Mr Pentney:** No, I wouldn't. I want to have an opportunity to say something else, and I'll get to what you're saying. I made it a point to say to you people that I was a trustee in 1972 and I was a health council person in the early 1970s, and we talked back then about the fact that the status quo etc needs change. I want you to know that the most frightening experience I had was coming back as a trustee in 1989, and guess what? I sat in almost the same seat I sat in back in 1972, and I looked around and, lo and behold—Rick will understand who I'm talking about—some of the same faces were there, sitting in the same place, and the same deliberations took place.

1550

The only thing that had changed was that government had indicated through Bill 30 that school boards would be responsible for the exceptional child at both ends of the intelligence scale. Other than that, over three years I could have predicted what was going to be said on every level of deliberation, be it the budget time, be it busing, be it transfer of teachers, be it whatever. It was absolutely frightening that in all that time, that was the only change that had taken place.

Subsequently, I've listened locally to the three years of debate for hospital restructuring. Guess what, my friends? In the early 1970s, when I was health council chairman, I heard the same arguments by the same people. Nothing had changed. Nothing has changed today.

The people of Ontario are not prepared to hear it again. This morning I stopped to get gasoline, I stopped to pick up the Globe, I stopped to have a bite to eat, and I stopped to pick up some cough lozenges. Each of those guys knows me, and they said, "Pentney, why've you got your duds on?" I said, "I'm going to speak to some politicians this afternoon," and they said, "Give them hell." It doesn't matter what stripe. They don't care who the hell you are, what party, whatever—just "Give them hell," because they're not satisfied with the status quo and they want some changes. They want you people to act responsibly on their behalf to bring about those changes for this province.

**Mr Gerretsen:** Let me just say first of all, as a newly elected member—about 70 of us are new, and most of the 70, if they're really honest, will probably tell you they're disappointed by the system, that everything is from the top down and most things are structured that way. Hopefully, we can make some changes to this bill, but probably not, because it's already been determined by five or six other people in the cabinet and what have you, and it's a fait accompli. That's probably the most frustrating thing, and maybe that's why a lot is going on.

You say a whole list here of people you represent. You've been on the school board and the colleges. Let

me ask you this: Are you now or have you ever been a member of the Conservative Party of Ontario?

**Mr Pentney:** Certainly am, and proud of it.

**Mr Gerretsen:** And are you working for the present government in a political capacity right now?

**Mr Pentney:** No.

**Mr Gerretsen:** But you were handing out material on behalf of the Conservatives last night.

**Mr Pentney:** I met them, and you were introduced yourself to me in a political capacity indeed.

**Mr Gerretsen:** I just wanted to get that on the record. There's nothing wrong with that, absolutely nothing.

**Mr Pentney:** You introduced me to my own member.

**Mr Gerretsen:** I was trying to get hold of your material last night.

**Mr Pentney:** As you introduced me, you tried to get your hands on it, John. Mr Klees introduced himself to me.

**Mr Gerretsen:** And you said he was a lot younger than I am. That's why I'm really upset at you, if you want to know the truth.

**Mr Pentney:** Having spoken to him last Saturday, you've aged a lot, John.

**Mr Gerretsen:** On page 2, you say the ministers had extensive consultations with their transfer partners, and then you talk about how Harris consulted with the people of Ontario. Do you not think it's a little odd that you in your own terminology talk about having consultation with the transfer partners, but not with respect to the people of Ontario on the massive changes introduced in this bill?

**Mr Pentney:** They've given you plenty of opportunity to do that.

**Mr Gerretsen:** When?

**Mr Pentney:** In the last two weeks that you've been at it.

**Mr Gerretsen:** But if that hadn't happened, if we hadn't sort of demonstrated, we never would have had these hearings. The 360 hours of hearings in Toronto would have gone from 9 in the morning till 12 at night, five solid days, by three committees. We wouldn't have come to Sudbury, to Timmins or anyplace else. It would all have been done down in Toronto. Do you think that is effective consultation with the people of the province of Ontario, to have it all done in Toronto?

Look, this isn't even consultation. You can make a presentation for a few minutes, then the Chairman, who's a very competent individual, says, "You got two minutes to ask questions." That to me is not consultation. It's presentation and then "Go away," or something.

**Mr Pentney:** I hate to use the word draconian, heaven forbid, but—

**Mr Gerretsen:** I never knew what that word meant either until these hearings.

**Mr Pentney:** But I want you to know that the people of Ontario expect you and you and you and you and you to do your job and to do it well—

**Mr Gerretsen:** Tell these guys we want some input into the system.

**Mr Pentney:** —and that means, if we are on a bent for turnaround management in this province that's going to change this province dramatically, which will transfer down to the lower level that needs to be changed dra-



matically, it needs to be done forthwith and as quickly as possible.

**Mr Gerretsen:** Exactly. And not all good ideas rest within one organization.

**Mr Pentney:** During the half-hour I've sat here, we have just gone into debt by another \$500,000.

**The Chair:** On that prompt, Mr Pentney, thank you very much for coming forward today and giving us your half-hour presentation.

**Mr Pentney:** I've enjoyed it—15 minutes of fame. Thank you.

**Mr Young:** Mr Chair, on a point of order: If members ask the delegations what political party they belong to and raise their voice, is that going to be productive for these hearings?

**The Chair:** Members can ask that question if they so choose, Mr Young.

#### ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION, DISTRICT 30

**The Chair:** Can I please have representatives from OSSTF district 30 come forward. Good afternoon, gentlemen, and thank you for coming to present to the committee. You have half an hour.

##### *Interjections.*

**The Chair:** Order, members of the committee. We have a deputant ready to speak. I'd appreciate it if you'd give them their time.

Gentlemen, please introduce yourselves for the benefit of Hansard and committee members.

**Mr Geoff Shaw:** I'm Geoff Shaw, division president of Sault Ste Marie OSSTF. This is Jim Agnew. He's our provincial councillor from district 30. We are here representing the close to 400 teachers in our district, which stretches from central Algoma to just east of Sault Ste Marie to Wawa to the north. We're here and we'll speak as representatives of the teachers, but wearing my other hat, my teacher hat, I know we are the last group to present today and I recognize that last-period classes get testy and cranky. Bear with us, if you would.

**Mr Young:** As long as you don't give us any homework.

**Mr Shaw:** There will be homework. At the outset, let us communicate to you the fact that our members are very bitter about the way in which the current government and its predecessor have treated education and education workers. Our anxieties are aggravated by actions and approaches of the current government that suggest the abandonment of Ontario's system of public education.

Too frequently, governments embark on initiatives without demonstrating a sensitivity to the concerns of those very groups that will be most dramatically affected by the changes. The manner in which this bill was introduced, the intention of the government for speedy passage and the unprecedented scope of its contents are all matters which should concern all citizens in a free and democratic society.

Furthermore, we are very concerned that the process of public hearings, part of which we're involved in today, may turn out to be merely the appearance of consultation rather than the substance.

This stage was built into our legislative process for a very good reason: to allow others to look at what might be poorly crafted and hastily conceived or even erroneous proposals.

The government of the day, in our view, has the obligation to act on behalf of the citizens of this province, all of those citizens, and any legislation it creates should reflect that obligation. In our view, this bill does not reflect that obligation. It requires many changes. To pass it as it stands would be not only an arbitrary action but one that smacks of arrogance, and such an action would fly in the face of democracy.

Should the Savings and Restructuring Act be passed into law, we'd devolve into government by fiat. This is a prospect that no person who values our democratic traditions can look upon with anything but dismay and trepidation.

Bill 26 negates the balance of power between the legislative and executive branches, thereby removing a safeguard that has served the public interest so well throughout our history. "Government of the people, by the people, for the people" becomes "government by cabinet and ministerial pronouncement."

This is not an encouraging transformation. In fact, some would call it monstrous. Civil rights, democratic traditions and the rule of law must be given precedence over government expediency. To act otherwise is to abdicate completely the fundamental responsibility that legislators bear towards the public that elected them.

##### 1600

This government is dedicated, so it says, to the concept of less government. It would get government out of our faces, as the saying goes. This is not quite the reality of Bill 26. Government is still very much in our face, and in a way that is more arbitrary and oppressive than ever. What has disappeared instead are the processes that check the arbitrary actions of the provincial government.

As Thomas Walkom of the Toronto Star wrote: "The omnibus bill permits the government to stage a kind of coup d'état against elected MPPs. It gives the Harris Tories unprecedented powers to do things they were never elected to do." Democracy is thereby terribly, perhaps fatally, diminished.

The most insidious aspects of the bill are the sections in which the government grants itself exemption from legal pursuit for violating provisions of existing law or contractual agreements. This is not democracy at work. It is much closer to dictatorship.

Again quoting from the Toronto Star, not that that's necessarily our favourite newspaper, but none the less the quote is appropriate:

"With a majority government, the Tories are of course entitled to make the policy changes they campaigned on. But the Legislature does not exist as some frivolous gesture to democracy. Nor do voters elect and pay opposition MPPs to be mere decorations at Queen's Park.

"Proposed laws are meant to be reviewed and debated—and, yes, sometimes amended—so that Ontario gets the best possible outcome, given the Legislature's political makeup. At the very least, the voters' representatives—of every political stripe—should be allowed an opportunity to digest a new bill."



Anybody who watched the parliamentary channel when this bill was introduced would know that applied to ministers as well as to the opposition. No one in that room seemed to understand the implications of this bill.

I'm going to turn to Mr Agnew at this point for some specific comments on three or four of the schedules of that bill.

**Mr James Agnew:** We listened with interest to the presentations that went through the afternoon, and I'm sure that you're going to pick up on some common threads in your questions. We have specific recommendations on different parts of the bill.

Schedule J, the amendments to the Pay Equity Act: We recommend that this section be withdrawn. This does not directly affect teachers per se but it does have an effect on education workers outside the teaching area. We are deeply concerned about this backwards step. The government should be in the business of removing barriers to equity employment; it shouldn't be erecting more of them. Neither should the government be encouraging an economic system that continues to regard women as a source of cheap labour, and particularly government should not be treating its own female employees in a discriminatory manner.

Schedule L, the amendments to the Public Service Pension Act: Again, this does not directly affect teachers; it has some effect on some educational workers as the provisions of the bill come in. But it raises a great deal of fear in the Ontario Secondary School Teachers' Federation because we are also partners with the government in a pension plan. To have a partner impose unilateral changes on any pension plan and to also do that in a bill that was not originally destined for any public hearings creates an atmosphere of anxiety and suspicion.

Bill 26 and schedule L are an attack on the whole idea of pension partnerships and on the stable funding of pension plans. The action is arbitrary, oppressive, undemocratic, and it should be withdrawn.

One aspect of this schedule would remove from the government its responsibilities under law. In effect the government, having become the lawbreaker, then removes the means to bring it before the courts. This removes the government from the rule of law, and this can't be tolerated in a democratic society.

Schedule K and the amendments to the freedom of information act also raise concerns for us as teachers and educators. In this schedule we have an attempt to erect barriers rather than to remove them. In this case, the casualty would be the free flow of information in a free and open society. One has to ask why this schedule was included in this bill or why it is not a separate piece of legislation. Was it to deal with what were identified as possible high-profile cases of abuse of the system? If so, it's an overreaction of major proportions. We decry this erection of barriers to the free flow of information. It flies in the face of democracy in a democratic society.

The section of the bill that says information can be denied on the grounds that the request is "frivolous and vexatious" raises a great deal of concern because this denial, the way the bill is structured, could in fact be made by the very person who is subject to the request. This is hardly opening government to public scrutiny. It

is closing it to the very citizens who elected it. It requires review. Changes should be made. It should be dealt with as a separate piece of legislation which could be examined separately.

Schedule M, amendments to the Municipal Act and various other statutes: Of direct concern to us as teachers and education workers is the power included in this schedule to dissolve or change local boards. We're all employees of such local boards and, by and large, we have managed to work together to create a productive and economically responsible school system. We do not see the need for the dissolution of such boards, nor do we see any benefit to giving municipal government control over these bodies. Education is not something to leave to the same discussion as snow removal, sidewalk construction and other things that are before an overburdened city council. It is much too complex and much too important to society to be lost in such discussions.

The concentration of power, first in the hands of the municipalities and then in the hands of the cabinet in Toronto, in the ministries, for example, is a retrograde step. We currently have a system that provides an opportunity for community-minded citizens to participate in public life. To put in place a system that could reduce the number of boards in our communities is not a forward-looking action.

We appear to have a government that is intent on concentrating power in the hands of fewer and fewer people in the name of fiscal restraint. Such concentration of power without democratic constraints is unacceptable.

Schedule Q: There has been much discussion about this since we arrived at noon. This gives provincial arbitrators unprecedented powers. We have concerns about the impact of this on arbitrators under the School Boards and Teachers Collective Negotiations Act. It instructs arbitrators to consider the employer's ability to pay, the economic situation of the locality, it instructs arbitrators to identify what services should be reduced and even says that they can address the employer's need for qualified employees.

Arbitrators would have the right to order cuts to services and order cuts to qualified personnel. This is a cynical and self-serving plan to compel arbitrators to become fellow travellers with a government driven by a slash-and-burn agenda.

The premise of this section Q seems to be that somehow we have education costs in the province that are unjustifiably high and are somehow out of control. This is not the case. One only has to look at what has happened to cuts in education, for example, through the social contract, the amount of money that has been cut from the education budgets. Mr Eves, in his economic statement, provided data that OSSTF provincially has analysed and questions rather seriously. We have included the StatsCan version of the data beside Mr Eves's presentation of the data in appendix 1. One of the things that seems to be left out of Mr Eves's statement is the enrolment of 100,000 kindergarten students even though the cost of the kindergarten students is included. This in itself seriously skews the figures.

Ontario's costs for education are competitive. They're in the middle in Ontario. When we're compared to the



United States, even though we are 21st in average income we are 29th—we are down the scale—in what we spend on education. So you don't see a system that has spending out of control. In fact, you have a system that—maybe it should not be called restrained, because some of it was constrained, but it's both restrained and constrained.

1610

To give a government, which in essence provides funds through the grant structure, the power then to have arbitrators consider the ability to pay is putting both of those in the same camp, meaning that we have back-door wage controls in education.

The conclusion: I think you can see that what we see as the main tenet of this bill is a removal of the power from the legislative forum and placing it in the hands of the ministries. The process of democratic review is in this way thwarted.

Sections of the bill exempt the government from any legal recourse a citizen may take. This is undemocratic. It goes beyond the rule of law.

The power of municipalities to levy direct taxes as well as user fees will create increasing inequities in the province. It's a great concern in the north where you have poor municipalities. In order to generate any kind of revenue, what kinds of user fees would you have to put in place? I was saying to my colleagues here, if you put user fees on garbage collection in a place like Sault Ste Marie—I live in a semi-rural area of Sault Ste Marie—where's the garbage going to be dumped? It's going to be dumped on the sides of the roads where I live.

This bill is called the Savings and Restructuring Act, and it's curious to us that even though it's designed to save hundreds of millions of dollars, it has overlooked a possible way of saving large amounts of money by restructuring the governance of education, that is, through confederated school boards.

We'd like to speak briefly on confederated school boards. We presumed, in putting this together, that you were familiar with the idea of confederated school boards. We see it as a way of doing two things: creating economies in the structure by putting in place local boards which are umbrella boards over the jurisdictions in education which are public, religion-based and language-based. By doing this, the religious interests and the language interests could be protected within the forum of the confederated school board.

At the same time you would create a reduction in costs, by removing duplication of services; by not creating competitive use of buildings—you'd have shared use of buildings; equipment and facilities could be more rationally obtained; services that are really difficult to get in the north—it is difficult, for example to attract psychological services, speech-language services—if these were delivered through a confederated school board, there would be a benefit to the students and the system.

In short, confederated school boards would make sure that we could deliver the necessary programs, that we would fully use existing facilities, and we would avoid the proliferation of needless expenditure in education.

That is the end of our presentation. We have attached some indexes—I've already referred to the one on

spending—which you might want to look at but which we won't go through in detail here. We're willing to entertain questions.

**Mr Young:** I won't start by asking you what political party you belong to because I don't think it's appropriate, although I will say we've had some former NDP candidates appearing at the hearings and they've been heard and treated with the utmost respect.

Your concerns about exemptions from legal pursuit—I just wanted to comment: There's lots of precedent in common law that goes back hundreds of years, for certain duties of political officials to be protected from that. It's not a new idea. They exist today in every free country in the world.

I'd like to ask you: If local boards were exempted, if it was clarified that local boards were exempt from municipalities, and as well—it's a two-sided question—if there were a sunset clause that addressed the ministerial power, because we're in a time of major change now, if there were a sunset clause that said this power disappears after a certain length of time, would that address your concerns?

**Mr Shaw:** Can I ask for clarification in terms of the power you refer to when you—

**Mr Young:** You referred on page 6 to ministerial power, your concerns that the minister has too much power. I assume you're talking about in health restructuring. Am I correct?

**Mr Shaw:** The general sense through Bill 26 is a concentration of power in the hands of the ministers and the people who are working for the ministries as opposed to a concentration of power in the Legislature itself. That's what I see in Bill 26.

**Mr Young:** Other presenters have given an example of the ministerial power to appoint a commission for hospital restructuring or for municipalities. If there were a sunset clause in that, that that power was only temporary, would that address your concern?

**Mr Shaw:** I really would have to see what that involved. Secondly, I would have to ask the question, why is it necessary? Not the sunset clause. Why is the concentration of power necessary?

**Mr Young:** To make change happen, but there's a much longer answer.

With regard to local boards being under the authority of the municipalities, if it were clarified that school boards are not included with that, I assume that would satisfy your concerns there.

**Mr Shaw:** That would certainly help.

**Mr Agnew:** That would definitely help, but in a lot of small communities there's almost an undeclared war between the municipalities and the school boards about the tax bills. Municipalities have threatened not to collect them even though they have the legal obligation to collect them. There is a great deal of friction there and there are municipalities that would love to have some of the provisions that are in this bill to in effect take over school boards.

**Mr Young:** Really I want to tell you it's an excellent presentation. I am parliamentary assistant to the Minister of Education. I'm going to take it back and discuss it with him. Your ideas on confederated school boards are



very interesting. You know that we're looking at that and trying to find ways to accommodate everybody's rights and everybody's guarantees and still reduce the administrative cost of education, so I want to tell you that at the same time.

**Mr Tascona:** Thank you for your presentation. I've been looking at schedule Q and the conclusion there that you've made in terms of the arbitrators having the right to order cuts to services or to qualified personnel. Clearly in the legislation that's being put forth are some mandatory criteria to consider, which are not exhaustive but they're basically to be considered only. There's nothing in the legislation that would give arbitrators any more power than they presently have in terms of deciding a case, and as you know, you're not subject to having to go to arbitration under the collective bargaining process.

But I'd like to deal with your premise where you say that the premise is based on dealing with the education costs and teachers' benefits etc. I don't believe that's the premise we're dealing with. I think the premise we're dealing with is a fiscal debt problem and being accountable to the taxpayers, and not pointing out one particular group. As you know, there are all kinds of changes that are out there, and we're trying to basically deliver the services for less and basically trying to work through the problems that we have. So I wouldn't want you to hold that premise as being put out there. Certainly the process of arbitration, we're trying to bring some fiscal reality to that.

**Mr Bartolucci:** Just let me clarify something that Mr Tascona said.

"Section 35 of the School Boards and Teachers Collective Negotiations Act is amended by adding the following subsections:

"(1.1) In making a decision or award, the arbitrator or board of arbitration shall consider the following criteria," and they list the five criteria.

**Mr Phillips:** Not "may."

**Mr Bartolucci:** Not "may," or not "might," but "shall." Clearly, that is an extremely important word in this amendment.

Now, I'd like to follow up with the section Q, because you know if there's one section that upsets me the most, it's this government's desire to destroy collective bargaining. Could you outline to the members of the government, because the members of the opposition clearly understand, what's going to happen when the school board uses that for the arbitrator? What's it going to do to the PTR, to the pupil-teacher ratio; what's it going to do to the quality of classroom education; and what's it going to do to the size of the classroom that the teacher has to teach on a daily basis?

1620

**Mr Agnew:** First of all, the disturbing thing for education is that the ability to pay, because of the way the grants are structured, is really created by the government, because the government creates the ceiling, the government creates the base mill rate, and then wealthier communities are able to pursue more through local taxation. Smaller communities, Chapleau, can't do that. Central Algoma can't do that. Sault Ste Marie is kind of in the middle; they can do a small amount of it.

But in fact, as the police services representative said, we're in the same situation. Education is personnel-intensive, and when you cut costs, you are taking away personnel, and you can't take away personnel without affecting your classroom. Either the class sizes are going to go up or the support service is not going to be there. The quality is bound to go down, because the way to cut costs is to have a school that is not maintained as well—small amount of saving. Take away the staff who are delivering and you get the larger savings, and that's what would be cut.

As for the ability to attract people, what do you do in a community that is running on 90% grant and has 10% to get from the mill rate? They can raise the taxes as far they want. They're not going to get enough money to hire any more people.

**Mr Bartolucci:** Clearly, schedule Q will cause cuts, and these cuts will hurt kids.

**Mr Agnew:** It's wage control.

**Mr Phillips:** Just a couple of comments. One is that when the members opposite said, "Would you like a sunset provision so five years from now it disappears?" my own judgement on that is it's like: "Would you mind a temporary dictatorship? It'll be gone in five years. We just need the dictatorship for the five years."

Your brief is absolutely right, by the way. Right now, as the bill is written, a municipality can eliminate a school board by a bylaw. That's clear.

Now, what's very important is for the government to amend this, not to pass in regulation, which is what they've implied; they will protect school boards through regulation. If you don't understand the process, and I now do, having been there for a while, regulation means they take it to cabinet, cabinet signs a piece of paper, and on Saturday a school board, when they read the Gazette, finds it's gone.

I think you can have our assurance we will be ensuring that is in the act that school boards are protected. We have no assurance from the government that that's its intention. I guess the question to you would be, how threatened would you feel if, by regulation, you could be eliminated at the signing of a pen?

**Mr Agnew:** Threatened.

**Mr Shaw:** All government by regulation threatens.

**Mr Martin:** I want to thank you for coming the distance that you have to make your presentation today, and it's certainly been a good one. I want to, in my questioning, put it in a broader context perhaps and to maybe pick up where Mr Phillips left off this idea that somehow all of this will be sunsetted in five or six or 10 years is supposed to make people feel a bit more comfortable about the fact that in the meantime a whole lot of people are going to be hurt real bad, some of them irreparably. As teachers, probably more than anybody, next to parents, you will see it most directly and most often in your day-to-day interaction with students.

This party, in campaigning for government and wanting to be government, suggested it would not do anything that would impact the classroom as far as education was concerned. It seems to me that everything they've done so far impacts your ability to teach kids, impacts kids' ability to learn, and that to me is all about the classroom.



When you take 22% out of the take-home pay of single parents and the poorest of the people who live in this province and then expect that kids are going to go to school well fed and with nice clothes and be able to participate in the extracurricular activities that we've come to appreciate and enjoy as part of the standard of living and quality of life of this province, in my mind, it affects education, it affects the classroom. It shows up at the door of the classroom every morning, and the teachers that you represent have to deal with that.

The previous presenter said to us, suggested to us, that this government is doing no more than what it said it was going to do when it ran in the election. What has been your experience so far, and what has been the experience of your membership so far, when you consider the whole context within which you now have to deliver education in the classrooms in places like Sault Ste Marie and central Algoma and Wawa?

**Mr Shaw:** It's difficult to answer that, because all we've had so far are the minister's announcements about the cuts, \$400 million being taken out of education starting in the spring, in the next year's budget. So in terms of a direct impact on us now, there isn't any. Ask me this a year from now and I can give—well, I can tell

you right now what much of it is going to do. We were discussing it in the car coming up, how our board is going to manage to cut several million dollars out of its budget and where it's going to come from.

Operating on the perhaps naïve assumption that it isn't going to affect the teacher in the classroom, which of course is nonsense, the first thing that's going to go are all the supports for special-need students. They're going to be on the chopping block. Every high school in the Sault has got a special-ed teacher: gone, undoubtedly gone, if the government holds to its promise not to affect the classroom. Well, what happens to those kids and what happens to the needs? Those needs haven't gone away. The kids are still there. The needs are still there.

That's going to be the kind of thing that's going to be happening to us, and we know that's coming down the road; we just don't know the exact final form it's going to take.

**The Chair:** Thank you, gentlemen. Thank you for coming forward this afternoon and making a presentation to the committee. We appreciate it.

We stand adjourned until tomorrow morning at 9 am.

*The subcommittee adjourned at 1627.*



## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

\*Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

### **Substitutions present / Membres remplaçants présents:**

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

### **Also taking part / Autre participants et participantes:**

Bartolucci, Rick (Sudbury L)

Brown, Michael A. (Algoma-Manitoulin L)

Laughren, Floyd (Nickel Belt ND)

Martel, Shelley (Sudbury East / -Est ND)

Martin, Tony (Sault Ste Marie ND)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Tuesday 16 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <i>Loi de 1995 sur les économies et la restructuration</i>, projet de loi 26, <i>M. Eves</i></b>	GS-705
Sudbury and District Chamber of Commerce	GS-708
Darla Scott, president	
Canadian Union of Public Employees	GS-711
Mike Sauve, North Bay representative	
René Fortin, regional assistant director	
United Steelworkers of America, Local 6500	GS-715
Wayne Fraser, president, northeastern Ontario area council	
Dave Campbell, president, Local 6500	
Canadian Union of Public Employees, Sudbury and area	GS-720
Dennis Burke, staff representative	
Northwatch	GS-724
Brennain Loyd, representative	
Inco Ltd	GS-728
Dr Larry Banbury, manager, safety, health, environment	
Brian Randa, land administrator, exploration department	
Marty Puro, superintendent, reclamation and decommissioning	
Sudbury Professional Fire Fighters Association	GS-732
Marc Leduc, district vice-president, Ontario Professional Fire Fighters Association	
Mike O'Reilly, president, Sudbury Professional Fire Fighters Association	
Ontario Public Service Employees Union, Sudbury region	GS-736
Bill Kuehnbaum, first vice-president, OPSEU	
Peter Slee, staff representative	
Mitchell Day	GS-740
Sudbury Regional Police Association	GS-744
Daniel Zembrzycki, director	
Austin McGaughay, second vice-chair	
Ontario Secondary School Teachers' Federation, district 31	GS-747
Michel Gravelle, president	
John Filo, parent	
Richard Pentney	GS-752
Ontario Secondary School Teachers' Federation, district 30	GS-756
Geoff Shaw, division president	
James Agnew, provincial councillor	



A20N  
XC16  
G25



GS-13

GS-13

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## Legislative Assembly of Ontario

First Session, 36th Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 17 January 1996

# Journal des débats (Hansard)

Mercredi 17 janvier 1996

Evidence subcommittee  
Standing committee on  
general government

Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales

Savings and Restructuring Act, 1995

Loi de 1995 sur les économies  
et la restructuration

Non-health-related issues

Questions non reliées à la santé

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Wednesday 17 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Mercredi 17 janvier 1996

*The subcommittee met at 0900 in the Airline Hotel, Thunder Bay.*

SAVINGS AND RESTRUCTURING ACT, 1995  
LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning and welcome, committee members, to Thunder Bay. We have two motions to deal with this morning. The first one is going to be put from the opposition party.

**Mr Michael Gravelle (Port Arthur):** I want to make a motion. It's become clear throughout the hearings that there's basically a 3-to-1 ratio in terms of groups that want to make presentations and those that are able to make presentations. In fact, this morning I've already received two written presentations from groups that want to get on: the Ontario Secondary School Teachers' Federation and the Lakehead Women Teachers' Association, who very clearly have some strong points of view to be made. It's clear that the time allotted for the hearings is simply not sufficient.

There is an understanding on our part that the government has strong feelings about various aspects of the bill it feels have to go forward, and our motion reflects that. For such portions of the bill, we're willing to cooperate in terms of those portions which they absolutely feel have to go forward, and that can be discussed among the three government House leaders.

Probably part of the response to this motion to have extended hearings after January 29, going back to general government, will state that hearings were offered during one week in December, and they'll probably mention the number of hours that were offered. It's important to note that at the time that was offered, we were talking about hearings to take place only in Toronto, with very little opportunity for people to have any understanding of what is in the bill.

Last week in Thunder Bay and every day of the hearings, new aspects of the bill unfold. It's become more and more clear that this is an unwieldy bill with so many

different elements to it that things are being unearthed literally every day. Our colleagues in the NDP feel very strongly about this as well, and I'm sure they will be supporting our motion for many of the same reasons. It's incumbent on the government to recognize that this is a need that's been expressed all along the road. There is absolutely no reason many elements of this bill cannot be discussed after January 29 when we return for the one day, and we should bring the bill back to the general government committee afterwards for further hearings. I seek the support of all the members in this committee.

**Mr Gilles Pouliot (Lake Nipigon):** Mr Gravelle is absolutely right. We will be supporting the motion. In a broadly summarized form, and with respect, Mr Chair, let's call it what it is. You have four times more groups that wish to voice their concern. They feel their presentation is commonsensical and goes right to the heart of the bill. Simply put, they wish to make things better. It's a rare opportunity to meet a standing committee of the Legislature. Let's call it what it is.

Again with respect, the people opposite were dragged into this kicking and screaming. There were to be no public hearings outside of Metropolitan Toronto. We're a mere 900 road miles from Toronto. It's a rare chance for people to acquiesce the presence of the committee and come forward with their presentations.

By way of conclusion, in the spirit of democracy it is unthinkable that a bigger effort not be made to hear possibly everyone who wishes to be a presenter, Mr Chair. They are paying your wages, they are paying our wages, and more important, they're citizens of the province of Ontario. We will be supporting the motion.

**The Chair:** Now that we've heard two debates on the motion, we should move the motion.

**Mr Gravelle:** My excuse will be that I'm a rookie MPP. I will read the motion.

Whereas Bill 26 will have a major impact on every individual in Ontario;

Whereas Bill 26 requires broad public input before being passed into law;

Whereas there are 42 groups in Thunder Bay that want to provide input into the bill but only 10 will be heard;

I move that the committee recommend to the government House leader that when the House returns on January 29, 1996, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged across the province, including the community of Thunder Bay.



**Mr Rob Sampson (Mississauga West):** I'm pleased to speak to this motion, but in doing so I want to establish a few facts. It's important for the people of Thunder Bay and the area to understand that the committee time we've allocated to this piece of legislation is more committee time than for any piece of legislation introduced by the previous two governments. That's over the last 10 years. This committee will spend more time considering this piece of legislation than any other piece of legislation over the past 10 years. It certainly reflects the extent of this legislation, but it also reflects our intent to hear as much as possible from the communities across this province about this legislation.

I also want to establish another fact. When legislation is brought before a House and the time allocation for the committee is established, there's to-ing and fro-ing between the government House leaders and the opposition House leaders as to how much time will be spent in committee. It's important for the people of Thunder Bay to know that at one time on the table—rejected by the opposition, but on the table—was an offer to spend as much committee time as we currently have now, inclusive of the road trips, as we call it, the visits to the various locations in Ontario, plus an additional week between the end of the road trips and the time in which we would give a review, clause by clause, of this particular legislation.

The purpose of the extra week was to make sure that we all, from both sides of the table, gave serious consideration and had enough time to give serious consideration to proposed amendments being brought forward. That offer was rejected by the opposition, I suspect because it would have had to start January 2 as opposed to the following week, but it was rejected by the opposition. It's important for the people of Thunder Bay to know this.

On the government side, we are prepared to receive—  
*Interjections.*

**Mr Howard Hampton (Rainy River):** Stick to the facts instead of writing a novel.

**Mr Sampson:** Those are the facts.

**The Chair:** Gentlemen, please. Order.

**Mr Sampson:** The other thing that is important to note is that this government is not responsible for determining who gets on this list. A procedure was established under agreement by both sides of the table for how the deputies would be selected from the lists. We're following that process. It's not this government's role to determine who gets on or off this list. It's important to establish that fact.

We are prepared to receive the written submissions, as I've said in other locations as we've gone around the road. We now have 10 or so written submissions. I gather there are two more here, so that would make 12. That's scarcely over one written submission for each day of the committee hearings we've done so far. We're looking forward to receiving more written submissions if there are any. They do get read and reviewed, certainly by this side of the committee, and they will be given full consideration, just as we're giving full consideration to the people who sit before us and make verbal presentations.

We are listening and there will be amendments that will come forward reflecting the fact that we intend to use this committee process to help us refine the legislation before us. Mr Chairman, without consuming much more time, I will say that we are not prepared to support this particular motion.

**Mr John Gerretsen (Kingston and The Islands):** Mr Chairman, on a point of order: Yesterday we were given two tapes, that were filed with this committee, of 10 to 12 organizations that gave evidence at a parallel hearing that was held the day before in Sudbury.

**The Chair:** What's your point of order?

**Mr Gerretsen:** The point of order is that the information's totally incorrect when he says only 12 individuals have filed further briefs. We have a tape with at least 12 presentations in just one city, Sudbury, and it's been going on all over the province of Ontario. And the 360 hours that were offered before were to be all in Toronto, three parallel hearings, from 9 in the morning till 12 midnight—

**The Chair:** Mr Gerretsen, that's not a point of order, though, that we have a tape filed with presentations on it.  
**0910**

Before I put the motion, I'd like to welcome to the committee Mr Miclash from Kenora; Mr Gravelle from Port Arthur; Mr Pouliot from Lake Nipigon, the largest geographic riding, I believe, in the province. Mr Christopherson, welcome back to the committee. Mr Hampton from Rainy River, Mr Turnbull from York Mills, and Mr Stewart from Peterborough, are all with us this morning. Oh, I believe Mr Martin is also with us again today, from Sault Ste Marie.

For voting purposes this morning, we have Mr Christopherson, Mr Phillips, Mr Gerretsen, Mr Turnbull, Mr Sampson, Mr Stewart and Mr Young.

I'll now put the motion. All those in favour?

**Mr Gerretsen:** A recorded vote, please.

#### Ayes

Christopherson, Gerretsen, Phillips.

#### Nays

Sampson, Stewart, Turnbull, Young.

**The Chair:** I declare the motion lost.

Mr Christopherson has a motion.

**Mr David Christopherson (Hamilton Centre):** Thank you, Chair. My motion reads as follows:

Whereas there are only three days remaining for public scrutiny on Bill 26; and

Whereas public interest in this bill has been overwhelming; and

Whereas the vast majority of presenters to the standing committee on general government have recommended major changes to be made to the bill;

I move that this committee recommend to the government House leader that the 75 individuals and groups that requested to appear before the standing committee on general government in Thunder Bay be given the opportunity today to see the government amendments to Bill 26.



**The Chair:** Would you like to speak to the motion, Mr Christopherson?

**Mr Christopherson:** Yes. The reason for this is that we know that, contrary to the government's spin on the historical facts about why we're having hearings and why there was even a little time between the introduction of the bill and the actual hearings so study could be done, we know it wanted to ram this through.

I wouldn't argue about how much time has been spent on legislation; I don't know the details. But I will say there has never been a more far-reaching, power-grabbing piece of legislation in the history of Ontario, and there's absolutely every right in the world for Ontarians to have a say in this and they have a right to have a say on the actual law that's going to be passed.

Mr Sampson has said there will be amendments. We don't know what they're going to be. They can change the entire nature of legislation. People have a right to have hearings not just on the initial draft proposals, but on legislation like this, known for good reason as the bully bill, the citizens of Ontario have a right to know exactly what the legislation is going to be. The current plan of the government is to end this on Thursday or Friday, and that's it, the people will get no further say.

We believe very strongly that the people are entitled to know exactly what the legislation is going to be, and I hope we can count on our Liberal colleagues in opposition to join us in calling on the government to produce the amendments, show the people exactly what you're going to do and stop running from the people, which has been your history not just with this bill but with your anti-worker Bill 7 where you didn't allow any public hearings. You've got a history already in your short time in government of not wanting or allowing people to have a say in what you're doing. We urge you to do the right thing, move towards the democratic tradition of this province and quit acting in such a dictatorial fashion. Allow the people to be heard and allow them to comment on exactly what you're going to do.

**Mr Sampson:** Since we started seeing this motion a couple of days ago, I'm always slightly amused by the fact that on the one hand, the first motion says, "We need more public hearings; we want the public to have a say before you bring any legislation forward," alleging that we never consulted on any part of this particular legislation. Yet in this particular motion they say: "Don't bother listening to people. We want you to bring the amendments forward now." You can't have it both ways, gentlemen.

The fact is that we always intended to use the committee process as a forum to draw out the issues and concerns of the citizens of Ontario from all across Ontario, not just Toronto, not just southwestern Ontario, but all across Ontario. They're all Ontarians and they are deserving of their time in front of this committee to tell us where suggestions should be made and to raise their concerns. We're prepared to give them that time before we sketch the depth and breadth of amendments to bring forward.

I had hoped the opposition would accept the offer that would have given us that week between clause-by-clause

and committee review, but they chose not to do that. That was their particular view of the way the process should go.

We'll bring forward amendments when it's our sense that we've heard the general themes and the consistency of general themes that will help us to establish where the amendments should be, first of all, and how they should be scoped out. At this time, we will not be bringing forward amendments for review by the committee.

**Mr Gerry Phillips (Scarborough-Agincourt):** Let me begin by saying that we will be supporting this with all our might. People in the delegations here should realize that the government has written amendments already. The truth is that five minutes into the hearings, on December 18—we got that far into the hearings—someone called Al Leach, Minister of Municipal Affairs and Housing, who said he would be bringing forward two amendments. He already said he would be bringing forward two amendments, five minutes into the hearings on December 18.

The government has written dozens of amendments, dozens of them, and this coming Monday morning at 9 o'clock they'll table them. But they don't want to show them to you, because when they do, you will know the true intentions of the government.

So we have today the chamber's brief. I've had a chance to cheat a little bit and read forward. It's a very thorough brief. It comments on seven major acts, and there are 43 major acts in this bill. It barely has any time for debate on the Mining Act, which has enormous implications for you here. There are changes to the Ministry of Natural Resources, enormous changes. Transportation—enormous changes in the grant structure. You'll see, as you hear the brief from the chamber of commerce, that they comment on major aspects of the bill, but you're given virtually no time for any input or debate.

It's clear the government tried to force this thing through in two weeks. It is absolutely unheard of. The NDP once introduced an omnibus bill, a fairly harmless bill. They introduced it in June, and we said to the NDP, "Listen, the public need more time for this." The NDP immediately said, "All right, we'll delay it till the fall." It was called Bill 175. It was introduced in June but was not passed until November of that year—six months for consultation on the bill.

The government tried to ram this thing through in two weeks. It was introduced on November 29, when most of us were in what we call a lockup. The government was introducing its major fiscal statement. We were locked up and the government tabled this. The first thing they tried to do is say, "We're going to ram this thing through by December 14." Then they said, after we put a lot of pressure on, "All right, we'll agree to move that back one week to December 21 and we'll have hearings from 9 in the morning till midnight at Queen's Park, in Toronto."

Very few of you in this room would have had any opportunity for any input unless you found out about it, studied the bill and got down. I think even the chamber would acknowledge that this bill requires far more study than they would have had time to do in three weeks.

The next thing they said, after Mr Curling—supported, I might add, by both opposition parties—finally, as the last resort, did what he did, was, "All right, we'll have



hearings right after New Year's, that first week in January"—again designed to muzzle any opposition.

The government's written its amendments. The minister said he'd written the amendments on December 18. The reason they aren't tabling them—if the chamber saw the amendments they're proposing, any chamber support for this bill would evaporate because you'll find your major concerns are not accommodated in their amendments. They're afraid to table them. We are flying blind. People have been kind of, "Oh, don't worry, we're going to amend this bill." They will not amend it the way people want.

We're being forced to be party to a sham. My colleague called it the bully bill, and like every bully, this bill has no friends. Even some people who thought they could be a friend of the bill will find they're no longer a friend of the bill, because you're all being bullied.

We'll clearly be voting for this motion and we'll continue to fight for legitimate debate on the bill.

**The Chair:** I'd like to put the motion.

**Mr Christopherson:** A recorded vote.

#### Ayes

Christopherson, Gerretsen, Phillips.

#### Nays

Sampson, Stewart, Turnbull, Young.

**The Chair:** I declare the motion lost.

0920

### THUNDER BAY CHAMBER OF COMMERCE

**The Chair:** Could representatives from the Thunder Bay Chamber of Commerce please come forward. Good morning, and welcome to the standing committee on general government. I apologize for the procedural delay. You have half an hour to make a presentation, which time you may use as you see fit. You may wish to leave some time at the end to entertain responses and questions from the three caucuses. Please introduce yourselves for the benefit of Hansard and committee members.

**Mr Doug Smith:** Good morning, ladies and gentlemen, and welcome to Thunder Bay. My name is Doug Smith, president of the Thunder Bay Chamber of Commerce; with me this morning is the chamber's executive director, Rebecca Johnson. We are pleased to have this opportunity to address the committee regarding Bill 26, more commonly known as the omnibus bill, on behalf of the Thunder Bay business community.

Our chamber of commerce, for your information, represents 930 member organizations, 75% of which have 10 or less employees. This group of 930 member organizations has over 1,300 voting representatives.

The general focus of our chamber of commerce during 1996 is on municipal issues. The omnibus bill, although not a direct municipal issue, is still one of great importance to our membership and to business in northwestern Ontario. We realize the impact on all facets of our province through the passage of this bill and the impact on our business community.

The Thunder Bay Chamber of Commerce supports the reductions in government spending at all levels of

government and government-funded bodies. The Thunder Bay Chamber of Commerce has consistently monitored local government spending at the municipal and school board levels and has established task forces to work with, critique and make suggestions to city council, the Lakehead Board of Education and the Lakehead District Roman Catholic Separate School Board. In principle, the Thunder Bay Chamber of Commerce supports the purpose of Bill 26, "to achieve fiscal savings and promote economic prosperity through public restructuring, streamlining and efficiency."

The Thunder Bay Chamber of Commerce supports the insertion of criteria in schedule Q to govern arbitrators dealing with increases in salaries to public sector employees. Currently, municipalities and school boards are at the mercy of the arbitrators, who have made awards beyond the ability to pay. In turn, such awards are offset by increases in local taxes. We do not endorse the transfer of taxes down to the municipal level. We support a reduction of the overall tax burden of businesses as well as citizens.

As you've mentioned this morning, mining activities are a major employment sector in northwestern Ontario, and Thunder Bay as a regional staging centre for future new mines, the example being Musselwhite and Placer Dome, the Thunder Bay Chamber of Commerce supports the government's changes to the Mining Act in schedule O of Bill 26, which have been welcomed by the mining industry and should result in increased economic activity in our area. The Thunder Bay Chamber of Commerce has no detailed expertise concerning the particular changes in this part of Bill 26 and is relying upon general comments of acceptance. It is anticipated that the evident change in attitude and approach of this government in the mining area will promote increased economic activity in our area.

The Thunder Bay Chamber of Commerce supports the position of the Ontario Chamber of Commerce that "The role of government in today's economy is to create a climate which will encourage people to go into business, help businesses grown and attract new investments in jobs.... Restructuring government and restoring confidence in the financial strength of the province is essential to the future of Ontario's economy."

The Thunder Bay Chamber of Commerce supports the initiatives of the government in schedule N of Bill 26 to promote government efficiencies by reducing the requirements for permits, estimated at 54,600 permits per year, issued by the Ministry of Natural Resources, to be reduced to the range of 5,000 permits, with potential savings of up to \$3 million over the next two years. It is anticipated that the tourism and cottaging industries in northwestern Ontario, major sectors of our economy, will also benefit. Schedule N is also laudable for implementing the government's commitment to dedicate revenue from hunting and fishing licences to resource management. This is the new section 5 of the Game and Fish Act. This, to our knowledge, has been promised by previous government administrations but has never been implemented.

The Thunder Bay Chamber of Commerce would like to see the new section 5.3 amended to require the minister to consult with local interest groups for recommenda-



tions on how to use these segregated moneys for the management, perpetuation or rehabilitation of wildlife, fish populations and ecosystems. In Thunder Bay we have some excellent examples of non-profit organizations—for example, the salmon hatchery—which could use these monies for improving some wildlife and fish populations, which will in turn promote traditional tourism activities of hunting and fishing as well as new ecotourism economic activities. Please do not leave this in the hands of civil servants alone.

During the last several years, the forest industry, a major employer in northwestern Ontario, has been subject to a bevy of permits, each requiring time to prepare, administer and approve, while creating an unmanageable paper trail. If section 4, amending section 14 of the Public Lands Act, can be interpreted as allowing the Ministry of Natural Resources to streamline its approval process, there will be opportunities to increase efficiency both for government and industry and have a more logical, efficient trail.

The Thunder Bay Chamber of Commerce would be supportive of expanding the rights of the minister to modify existing legislation and regulations to ensure extraneous processes are eliminated while ensuring proper forest management activities are practised and appropriate audit procedures are in place. We recommend that you expand schedule N to provide the minister with the ability to modify existing legislation and regulations to ensure extraneous processes are eliminated while ensuring proper forest management activities are practised and appropriate audit procedures are in place.

On December 18, 1995, the Ontario Chamber of Commerce expressed concern about the broad powers given to municipalities in schedule M of Bill 26, section 10, page 146, to impose fees or charges for any services or activities provided to them. The Thunder Bay Chamber of Commerce supports the Ontario Chamber of Commerce position that the fees or charges to be imposed must correspond to the value of the service being provided and must not be for the sole purpose of raising revenues. The Thunder Bay Chamber of Commerce does not support the legislation in its current form because it is possible to foresee sales taxes, gasoline taxes and even poll taxes being adopted at the local level.

We understand that the ministry is on record as saying this will not occur; however, we would request that the legislation be appropriately amended to reflect this commitment. Business activities and business formations will suffer from more general taxes of that nature. Paying a new fee or charge related to the value of a service provided by local government is the only fair way to proceed, and the revenue generated will tell the local politicians whether or not the private sector values what is being provided. It gives citizens and businesses alike an opportunity to choose to use the service or not based upon its value. This exercise by the marketplace will expose inefficient services of local government and force efficiencies to occur, which we believe to be the goal of the Conservative government. Please ensure that new fees and charges are related to the service or activity offered by the municipality.

#### 0930

The Thunder Bay Chamber of Commerce specifically objects to subsection 220.1(9), which removes the right of any citizen or business to make application to the Ontario Municipal Board on the grounds that the fees or charges are unfair or unjust. The Thunder Bay Chamber of Commerce urges the government to reinstate this right of appeal, allowing appeals to the Ontario Municipal Board.

The Thunder Bay Chamber of Commerce has no faith in the minister's power to make regulations under subsection 220.1(10) to control the types of fees or charges. It is acknowledged that the minister is not the person who will deal with the problems that will inevitably surface in the operation and administration of the legislation; it will be the minister's employees, the civil servants. This is a major delegation of power to government and to government bureaucrats, trusting that the civil servants will respond to the injustices of the application of the local bylaws which will impose the new fees and charges. The Thunder Bay Chamber of Commerce does not support giving supervisory powers to civil servants. The Ontario Municipal Board has a proven record of supervision of local municipalities. It is imperative that the power is kept in the hands of an independent tribunal.

In fact, this is an example of what the Thunder Bay Chamber of Commerce sees as a major weakness and liability of Bill 26. There is too much assumption of power by the ministers and the cabinet, which will result in delegation of power to bureaucrats, who have proven to be slow, unresponsive and unobjective. The government must allow citizens and businesses the right to appeal local government decisions to an independent tribunal such as the Ontario Municipal Board. The Thunder Bay Chamber of Commerce will point out more examples of this further in our presentation.

The Ontario Chamber of Commerce has pointed out that the addition of new licensing powers for the municipalities, section 22 of Bill 26, must be defined and clarified to ensure that municipalities do not unfairly restrict business from operating or impose additional regulatory requirements which will threaten the ability of the private sector to create jobs which will strengthen the economy. The Thunder Bay Chamber of Commerce supports the Ontario Chamber of Commerce position and wishes to bring to the hearings' attention the potential for outright discrimination against particular businesses in clause 257.2(2)(g).

Furthermore, it is the position of the Thunder Bay Chamber of Commerce that there is no real protection offered by section 257.5, where the minister can again make regulations to impose conditions and limitations on the powers of a local municipality when exercising the new licensing powers. Bill 26 must be amended to allow appeals to the Ontario Municipal Board against municipal licensing bylaws. This is the only real protection that can be given. The Thunder Bay Chamber of Commerce is very concerned that civil servants do not always respond to citizens' appeals.

Our final comments recognize the government's initiatives to restructure local governments and promote



efficiencies as contained in schedule M of Bill 26. However, the proposed legislation is seriously deficient in the area of democratic rights. How can the minister's unknown regulations assure the citizens of northwestern Ontario that they will be able to participate in the restructuring process?

It causes us great concern that there is no right of appeal to the Ontario Municipal Board from the orders of the minister, being subsection 25.2(4), or of a commission, subsection 25.3(3). It requires considerable faith to conclude that the minister or a commission will never make a mistake. Again, the government, by this section of Bill 26, is making a major power transfer to civil servants and appointed commissions, which are not subject to public scrutiny and accountability.

Inserting a power of appeal to the Ontario Municipal Board will allow for the correction of mistakes or injustices which might be made by the civil servants and commissions. If the appeal route is used, surely the Ontario Municipal Board can control its processes and prevent abuses of the right to appeal. It is undemocratic to remove a citizen's access to an independent third-party tribunal or court. It is an appropriate check and balance to give the people a right to appeal either the minister's or commission's decisions on municipal restructuring.

The Thunder Bay Chamber of Commerce wishes to leave you with the comment that northwestern Ontario is part of Ontario. It is not part of the province of Toronto or the greater Toronto area. Legislation developed at Queen's Park must reflect the diversity we have in this province. We are concerned that should the bureaucracy take on more power, which usually occurs in Toronto, once again the particular interests and needs of Ontario's northwestern region, of which Thunder Bay is its regional centre, will not be considered in decisions made.

In conclusion, the Thunder Bay Chamber of Commerce supports the government's initiatives in Bill 26 while respectfully requesting amendments to Bill 26 to restore citizens' participation and rights to appeal bureaucratic and undemocratic decisions and bylaws by the Ontario Municipal Board.

Thank you for this opportunity to express our concerns to you, our thoughts and our opinions, as well as to provide some solutions to identify shortcomings in Bill 26.

**Mr Phillips:** I'll begin, and I might say this is I think the most thorough brief we've had from any chamber and I'm sure reflects an awful lot of hours of work by the chamber members to go through it. I appreciate it very much.

One hardly knows where to begin, because you do touch on some huge issues for yourself. But I'll just start with the major concerns we have around licensing and fees. It is clear that this originated with negotiations between the government and AMO, the Association of Municipalities of Ontario, who were told, "You're going to have your grants cuts dramatically." Then they said, "Well, how can we possibly handle those cuts?" And what the government said is, "We'll give you unlimited flexibility," they call it, "to impose fees." That's what the government calls it: unlimited flexibility.

I'll just stick on two, and then I'd like to get your comments on, if the bill goes ahead as they plan it, what your feelings would be.

On the licensing one, what the government says here is that they will allow the municipalities to "require the payment of licence fees which may be in the nature of a tax for the privilege conferred." In other words, they are giving flexibility to municipalities to levy a licensing fee for a business, and it may be in the nature of a tax. So it isn't just a one-shot licence. It could be, "We will have your licence subject to sales, to a different"—all sorts of forms of tax. And by the way, it also says here that they have access to your premises, your vehicles, your equipment, other personal property used etc.

If that provision stays in the bill—and by the way, we've heard from mayors who said they will be taking licences up from \$20 to \$500, is an example they brought to us—how would the chamber feel about the bill proceeding with that section in it in the nature of a tax?

**Mr Smith:** I appreciate your comments about the preparation of our brief, because there were a lot of committee hours put into this, and as the president I'm presenting it. I first must say that I'm not as familiar with certain aspects. But just from an overall perspective, we are concerned about the efficiencies of systems and the cost. That obviously is what makes the industry go, so anything that is making it cost-prohibitive, we'll be very concerned about as a chamber of commerce.

**Mr Phillips:** Yes, because I think your theme is that fees and licences as a way to recover costs for the municipality, in the nature of a tax, has basically nothing to do with the cost recovery; it is a source of revenue for them.

It also is clear on the fees that it does permit poll taxes. We've had at least three mayors say it permits a gas tax, according to their reading of it. We have the government's own legal opinion indicating that it may very well permit a sales tax. And it's clear that many municipalities—as a matter of fact, the Golden report, which was issued yesterday for the GTA, called for a gas tax, and the minister was briefed about that before this bill was presented, which makes one a little suspicious. But if this bill were to permit unlimited flexibility for fees, and that's what it currently does, that may in fact be in the nature of a direct tax, would the chamber's position be that the bill should not proceed with that provision in it?

0940

**Mr Smith:** Again, the chamber acknowledges the economic realities that we are dealing with on an overall basis. Obviously the taxation level of businesses is very high and any increased tax to business the chamber is very concerned about. Mind you, on an overall basis, though, we do have to bring the fiscal house in order, so when you're focusing in on one certain section of the bill, obviously we want that industry to be able to flourish as well as it can, and again, in Thunder Bay, to be into that decision-making process so that we can communicate those concerns as we go down the road with you.

**The Chair:** Thank you. Sorry, Mr Phillips, you've exhausted your time.

**Mr Hampton:** I hear the main thrust of your brief, and that is that you want to find ways to find greater efficiency and to find ways to better utilize the revenue that



comes to government. I don't think it comes as any surprise to you that everyone on this committee supports that. In fact, the last three governments have tried in various ways. The government that Mr Phillips was part of flat-lined grants to municipalities and boards of education, I think, for two years. The government that I was a part of tried, through the social contract, to institute that kind of restructuring and institute a new way of delivering some of those services. So I don't think anyone disagrees with the fundamental premise.

I note in reading your brief, and I just want to go through this with you, that there are eight places where you have problems and want to see amendments. On page 2 you say, "We do not endorse the transfer of taxes down to the municipal level." I take it that overall you see this bill as in fact allowing for the transferring of taxes down from the province to municipalities; is that correct? You say, "We do not endorse the transfer of taxes down to the municipal level." I take it what you see then is this bill allows for that; it allows the province to transfer taxes down from the province to municipalities.

**Ms Rebecca Johnson:** What we're basically getting at there is that we don't want to see more taxes.

**Mr Hampton:** Including the transfer of taxes?

**Ms Johnson:** That's correct. You have to understand that there's a business component of this whole presentation.

**Mr Hampton:** On page 4 you say, "The Thunder Bay Chamber of Commerce does not support the legislation in its current form because it is possible to foresee sales taxes, gasoline taxes and even poll taxes...at the local level." There are many other municipalities that agree with you, that they foresee these kinds of taxes, only they want it. They want the right to institute a municipal gasoline tax and so on. But I want to be clear. You're opposed to that? You're opposed to a municipal gas tax or poll tax or sales tax?

**Mr Smith:** We are concerned about the creation of these taxes and the control of these taxes and where the upper limits are and how they can be controlled.

**Mr Hampton:** So you'd like to see the legislation amended to prohibit these, or to limit them; which is it?

**Mr Smith:** Obviously, from a business perspective, we want less tax. But if they do come through, then we want them to be controlled. We want to have control over how they are put into place and what their levels are.

**Mr Hampton:** The third problem that I see we have is, you say, and this is on page 4, "The...chamber of commerce specifically objects to section 220.1(9) which removes the right of any citizen or business..." to appeal "...on the grounds that the fees or charges are unjust or unfair." So you want to see that right of appeal restored; you don't want to have the government having all that power?

**Mr Smith:** That is correct, yes.

**Mr Hampton:** The fourth item that I see is, you point out "There is too much assumption of power by the ministers and the cabinet which will result in delegation of power to bureaucrats who have proven to be slow, unresponsive and unobjective." So you don't want the cabinet and cabinet ministers to have that much power; is that fair to say?

**Mr Smith:** Yes, I think it is fair to say that less government is what we're asking for.

**The Chair:** Mr Hampton, I apologize for interrupting, but we've exhausted the time for the third party.

**Mr Hampton:** There are four others I'd love to go over with you, where you've stated objections, but I don't have time.

**Mr R. Gary Stewart (Peterborough):** A couple of questions. First of all, do you have confidence, sir, in your local municipal government?

**Mr Smith:** Do we have confidence in the local municipal government?

**Mr Stewart:** Yes.

**Mr Smith:** I think we have a lot of challenging issues ahead of us, as all communities do, and we are working with our local government to meet those issues in a supportive way.

**Mr Stewart:** I guess that's what I wanted to hear. I think this is one thing that this bill says. Whether it be AMO or most municipal councils, they have wanted to have more autonomy. They've wanted to make the decisions. You have said you want less government. I think there are probably not many, many municipalities in Ontario that want to be told what they have to do, and I think this bill does give them that right.

I guess one of the other concerns you're talking about—I guess I want to go back to the possible increase in taxes on gasoline. Do you feel that your community, with the elected officials you have, cannot stop them or control them to put in realistic taxes on a local basis? I guess my concern is, what may be good in southern Ontario may not be good up here.

**Mr Smith:** That's exactly right.

**Mr Stewart:** So why should Thunder Bay not have the right to solve Thunder Bay's problems? That's where we're coming from in this particular bill.

**Mr Smith:** We would definitely support that position.

**Mr Stewart:** The other thing is, have you recently had to appear before the OMB?

**Mr Smith:** As a chamber?

**Mr Stewart:** I'm trying to be a little facetious here. I'm sorry I'm not. If you have tried to get before the OMB in the last two or three years, you're probably still waiting. It has curtailed development, expansion etc in this province. I guess when I look at—you want to have the OMB there, yet it is not part of an elected body, it is more involved as an appointed body. You're counteracting what you're suggesting, to keep all of the decisions out of the hands of the bureaucrats, who tend to slow up the process.

**Mr Hampton:** On a point of information, Mr Chairman—

**The Chair:** No. There's no point of information. You had your opportunity to ask questions. It's Mr Stewart's time. It's not a point of information and it's out of order, Mr Hampton.

**Mr Hampton:** The OMB is not—

**The Chair:** You are out of order, Mr Hampton.

**Mr Stewart:** You could have the interpretation whatever you want. What I'm saying is that it's a slow process, it's a red tape process and it does not have the ability to move fast enough to get things done in this province.



**Mr Smith:** I think the way we respond to that is what we're really asking for, and we understand that efficiencies have to be built in, but what we are asking for is an appeal process so that there is a democratic right if people feel that they are being unjustly treated.

**Mr Gerretsen:** On a point of order: The minister himself—

**The Chair:** We're still on government time, Mr Gerretsen. Order, please.

**Mr Sampson:** We heard from one municipal group saying, "Currently, we are allowed to charge \$25 for a restaurant licence," and the comment from them that "it costs us a bit more than \$25 to even cover the mailing charges" as they go back and forth on these restaurant licences. Does the chamber have any problem in municipalities being able to recover costs associated with licensing activities?

**Mr Smith:** Certainly not. Again, the chamber and business obviously state the fact that nothing is free and that costs have to be incurred. I think the concern is that these taxes stay under control.

0950

**The Chair:** We've come to the end of your half-hour. I'd like to thank you for coming today to appear before the standing committee.

**Mr Phillips:** On a point of privilege, Mr Chair: We debated a motion earlier this morning about the government tabling amendments. We were told by the government no amendments would be tabled until starting of clause-by-clause, and that was in response to a motion by Mr Christopherson. There is a story in one of the Ontario media today indicating that the government intends to introduce amendments to Bill 26 in Kitchener today at the other hearing.

I wonder if the government can either assure us that that is not the case, that what they told us a half-hour ago in this committee is true, and if the government intends to table amendments in Kitchener, then I think we need a fairly significant debate at this committee about why amendments have not been provided to us and when we will be seeing those amendments.

**Mr Gerretsen:** Are we equal parts of the committee, or are we just a lackey group?

**The Chair:** Order, please.

**Mr Sampson:** I'm not aware of what the health committee is doing. Our focus here is on the non-health issues. I've not seen that press article. I'll have to look into it, Mr Phillips, to determine what the status of that one is.

**Mr Phillips:** I am told it includes non-health amendments. And if that's the case, we have a major problem.

#### ONTARIO PROFESSIONAL FIRE FIGHTERS ASSOCIATION, DISTRICT 7

**The Chair:** May I please have a representative from the Ontario Professional Fire Fighters Association, District 7, come forward. Good morning, gentlemen, and thank you for coming.

*Interjections.*

**The Chair:** Order, please. In deference to the deputants today who have spent a lot of time and effort in

their presentations, I'd appreciate it if we'd have order. You gentlemen can have your debates in another forum, but we're infringing on the time of deputants. I'd appreciate it if we'd cease and desist from that.

**Mr Ron Gorrie:** Good morning, members of the committee. My name is Ron Gorrie, and with me today is Mr Joe Adamkowski, who is the financial secretary for the Thunder Bay Professional Fire Fighters Association. I have been employed as a full-time firefighter in the city of Thunder Bay for some 20 years. I'm also the seventh district vice-president of the Ontario Professional Fire Fighters Association and have also acted as an advocate for firefighter associations at interest boards of arbitration.

The Ontario Professional Fire Fighters Association is made up of some 53 locals representing approximately 4,000 firefighters in the province of Ontario. The seventh district consists of Kenora, Fort Frances and Thunder Bay.

Generally, Bill 26 has an effect on a great many aspects of government. It is over 200 pages in length and has direct impact on over 40 separate pieces of legislation. This would empower ministers of the crown with the ability to amend, delete and form regulations that would affect the means of delivery of public services. The powers granted under the bill would preclude common rights enjoyed by the citizens of Ontario: the right to have legislation presented to elected representatives in the House, the right to have their elected representatives debate new legislation, and the right to have direct personal input via the course of committee hearings and/or other local lobbying efforts.

This bill would also permit cabinet members to amend or delete entirely collective agreements already existing in the public sector. The provisions of Bill 26 go further in that they preclude appeals to the judicial system. Ministers of the crown will also have the power to make regulations and laws that would prevail over any other already existing legislation. The power to override existing legislation is not limited by Bill 26 and in fact the acts or portions of any acts that ministers will be allowed to override are not specified. The ministers have unlimited authority by the use of the words: "For the purposes of this section the minister may, despite any act, make regulations."

To start back on the road towards a democratic process, Bill 26 should name specific acts and specific sections of those acts.

Bill 26 has an effect on each and every firefighter in the province of Ontario. We will now address those portions of the act.

As full-time professional firefighters employed by municipalities, sections M and Q of Bill 26 are of concern to us. These sections of the act have a direct impact on the delivery of fire protection to the citizens of Ontario and a similarly large impact on the employees delivering this protection.

Schedule Q of the bill would amend section 6 of the Fire Departments Act in that it would impose certain criteria that arbitrators would be compelled to consider when rendering a decision in an interest dispute arbitration. We outline those five criteria below.



Because firefighters do not resort to strike action, their recourse in the event of an inability to reach an agreement is interest arbitration. Since the inception of the Fire Departments Act, no disruption to the delivery of fire protection because of a labour dispute involving full-time firefighters has ever occurred. The citizens of Ontario have been able to have peace of mind knowing that their firefighters are on duty to help them.

The arbitration process and its resulting award, by definition, replicates the course of action that would have occurred if the parties had reached a negotiated settlement.

We in Canada enjoy a judicial process that has been rated as one of the best in the world. This process is based on the equal treatment of individuals under the law by an impartial judiciary. It has been said that in order for the public to have confidence in the judicial process, judges must be impartial, but even more importantly they must also appear to be impartial. We respectfully submit that the arbitration process and arbitrators are no less an important function of the judicial system than judges and as such must be and must appear to be impartial. The imposition of the above five criteria removes the required impartiality arbitrators must have in order to properly perform their function. The compulsion imposed on a board of arbitration should only be that the board of arbitration "may" take into consideration any relevant criteria including the following.

To be strictly limited to the criteria of ability to pay imposes inequities into the system. The ability to pay is easily translated as the willingness to pay. An employer, by limiting the amounts of budget dollars available for employee wages and benefits, will in fact predetermine the outcome of the arbitration process. If arbitrators are compelled to follow the ability-to-pay criteria, we will have public sector employers setting the budget for employee compensation and then arguing before a board of arbitration that due to budget constraints their hands are tied with respect to the level of compensation. This will have the effect of municipal employers refusing to reach agreement at the table and forcing employees to boards of arbitration, so that arbitrators and boards can then rubber-stamp a compensation package predetermined by the employer. In determining the ability to pay to ensure fair treatment, the arbitrator must also be allowed to take into consideration the municipal employer's ability to tax.

AMO has accused firefighters of curtailing negotiations and rushing into the arbitration process because the arbitrators are supposedly biased in favour of the firefighters. This is a very large slur upon the panel of arbitrators. It is interesting to note that the representatives of AMO making these allegations have not proceeded to the proper authorities and caused charges to be laid.

During the life of the Liberal government AMO demanded that the panel of arbitrators for firefighter arbitrations be expanded as the incumbents were biased. The government of the day, in due course, appointed a number of new arbitrators to the panel. Awards made by these new arbitrators have, for the most part, followed those made by the established arbitrators and have

subsequently been judged to be biased by the very people who put forth these names.

Research in the Ontario Professional Fire Fighters Association office indicates that firefighters do not rush and have not rushed to the arbitration process. In the previous 14 years, out of a possible 1,218 boards of arbitration, only 141 awards were made. Once it is realized that it sometimes takes 24 months after the expiration of a collective agreement for an award to be handed down, you can appreciate it's not a great thing to run to arbitration. The costs of proceeding to a board of arbitration can impose a tremendous cost upon the members of associations. Costs of \$50,000 and even \$100,000 are not unheard of. These act as a very large deterrent.

Representation has also been made before this committee that has advocated that the criteria in schedule Q are not sufficiently restrictive to allow employers to be sure of an outcome. We quote Mr Dunsmore below where he outlines how arbitrators are an entity until themselves. From Mr Dunsmore's remarks, one can conclude that he perceives it to be a fault within our judicial-arbitration system to have the human element involved in imposing justice on our citizens.

#### 1000

Arbitrators will be compelled to become experts in the area of municipal finances. Mr Dunsmore himself recognizes the time delays and the financial cost involved in determining a true financial situation within a municipality and becomes concerned with the wrangling over financial information. He states:

"It is much more appropriate to specify that the arbitrator should be required to make his decisions or her decisions on the same information that the politicians made their decisions on. In other words, whatever decision is relied upon by the municipality should also be sufficiently good for the arbitrator to rely on it."

We simply ask, what if the information is incorrect? During negotiations over the social contract, financial information supplied by municipal governments was found to be erroneous and only through the course of vigorous investigations and discussions was more accurate information arrived at. Not to be able to question evidence presented by an opposing party is not the democratic process. We ask, what would municipal government's reaction be if a similar handicap was imposed upon them?

Boards of arbitration already hear arguments from both of the parties with respect to the economic situation in the municipality, within Ontario and within Canada. Municipalities and firefighters already present arguments containing comparisons to the broader public sector and the private sector.

Generally speaking, these criteria are heard by arbitration boards and are given the weight that they merit. Traditionally, firefighter advocates have used the comparables of firefighters within municipalities of similar size and population, firefighters in municipalities with a common geographic area, firefighters in the province of Ontario as a whole and the comparable of the police constable employed within the same municipality. Utilizing other firefighter groups as comparables indicates to boards of arbitration the results achieved by similar parties negotiating the same work. Police constables and



firefighters have been determined by the arbitration process to deliver services of similar value and importance to the taxpayer and, as such, have been determined to be comparable for the purposes of arbitration.

The criteria contained in schedule Q can compel employees to subsidize the maintenance of service levels through substandard wages.

It is our respectful opinion that the advocates used by the municipalities at boards of arbitration have not been prepared, have presented flawed arguments and have dismissed the sincerity of firefighter proposals and presentations. Representatives of AMO now request that the government give them the tools to force arbitrators to depart from the level playing ground that is so obviously mandatory in order to give employers an unfair and inequitable arbitration system.

Schedule M of Bill 26 will have a direct impact on public safety. The schedule will permit amendments to the Municipal Act that would empower the government to restructure municipalities and regions. The powers granted to the minister, to a commission and to regional governments would be essentially unlimited. The principles and basis of restructuring would be determined by regulation established by the minister.

The powers granted to the minister and to municipal governments allow for the alteration or elimination of local boards. The definition of local board would encompass school boards, public utility commissions, transportation commissions, library boards, boards of health, park management, police service boards and other bodies which perform municipal functions.

The cabinet would have the power to deem any other body that performs public functions to be a local board for the purposes of the bill. Not only the ability to alter or amend local boards is granted to the minister and municipal governments but the method is one of simple resolution on the part of the municipal government and by regulation for the minister, with either method not subject to any other act or legislation.

Furthermore, these powers can be exercised outside the framework of the normal democratic process of consultation or referendum. A number of years ago, the city of Thunder Bay restructured the fire department by closing one station and eliminating three pumper trucks from service. At the same time, a second station was slated to be closed. City council was lobbied and was informed at open meetings of the citizens of the community that their fire station should remain open. Under Bill 26, the citizens may not have the opportunity to exercise this right. The bill fails in that it permits the minister to arbitrarily determine the level of local support necessary for restructuring.

The definition of a local board is broad enough to include fire departments and the restructuring aspect of the bill would allow for the privatization of fire departments in municipalities. Again, such restructuring can occur without consultation with the citizenry. If it is not the intent of the government for fire departments to fall under the definition of local boards, then Bill 26 should so state.

The legal counsel for the Solicitor General of the province of Ontario was asked as to the status of fire-

fighters after an amalgamation of fire departments or the restructuring of such under the auspices of Bill 26. His reply was that there would be no protection, no collective agreement, no successor rights and no recourse in any fashion. We respectfully submit that this is not the way to treat employees who have risked their lives to serve and protect the citizens of their community.

The ability to deliver emergency service to a community under restructuring or reorganization will be diminished. Municipal governments have demonstrated their desire to reduce the size and capacity of their fire departments. In the city of North York some 33 firefighter positions have been removed from the department; in Ottawa, 55. Thunder Bay has suffered two separate cutbacks resulting in three pumpers and four positions cut. The list goes on.

In 1994, in the town of Fort Frances there was a resolution made by the town council to eliminate the full-time complement of firefighters from the department. Through the democratic consultative process of open town meetings, the full-time fire department was saved. Citizens of the town were able to state their preferences and in fact the town's largest employer requested that the full-time firefighters remain in the fire department in order to protect the structure of the paper mill plant. Municipal governments will look upon the powers devolving on to them from Bill 26 as their golden opportunity to eliminate or downsize departments without having to deal with the troublesome requirement of listening to their constituents.

Under schedule M, municipal governments will be empowered to impose user fees in order to generate income. To impose user fees on any aspect of fire departments is a course of action fraught with danger. To charge for responding to false alarms will result in individuals not sounding a true alarm for fear of having to pay a user fee penalty. To charge for the attendance of the fire department at the scene of any type of fire, large or small, will result in some members of the public attempting to fight the fire themselves. As a professional firefighter, I have witnessed the results of these actions. Houses were lost because no one sounded the alarm in time. I have personally carried corpses out of homes because fires were fought by the homeowner. There may be a place within the municipal government for the imposition of user fees, but not within any aspect of fire suppression.

Firefighters within the province of Ontario are in the process of reviewing the delivery of fire protection in the province of Ontario. This review is being conducted by the member of cabinet responsible for fire issues, namely, the Solicitor General, the Honourable Robert Runciman. In October 1995 a document entitled the Fire Marshal's Report to the Solicitor General: Public Fire Safety and Legislative Reform in Ontario, was released to the stakeholder groups involved in the delivery of fire protection. This document contains an extensive list of proposed amendments to numerous pieces of legislation that govern fire and protection.

The stakeholders were directed to respond to the document by the end of December 1995, with the intention that discussions and consultation would subsequently



occur. The Solicitor General indicated that legislation would be put forth before the House by the fall of 1996. The Ontario Professional Fire Fighters Association executive board was in the process of drafting a response to the fire marshal's document when Bill 26 was introduced to the House.

During the weeks leading up to the election of the Conservative government in 1995, the Ontario Professional Fire Fighters Association conducted an interview campaign with candidates contesting office. The candidates were asked as to their position with respect to changes to the Fire Departments Act. Replies received from Conservative Party candidates reflected in nearly all cases the words written by candidate Mike Harris, now the Honourable Michael Harris, Premier of the province of Ontario, and I quote:

"No changes will be made under a Harris government until such time as your members have been thoroughly consulted. And we will insist that all changes be fully costed—both from the point of view of workers as well as management." Quite clear.

Letters from Elizabeth Witmer, now the Minister of Labour, and Jim Wilson, now the Minister of Health, are attached, as is the letter received from Premier Harris. Also attached is a reply from Mr Jim Doherty, who was the unsuccessful Conservative candidate in the Port Arthur riding. We include Mr Doherty's reply in order to demonstrate the near unanimous position on amending the Fire Departments Act as put forth by Conservative Party candidates.

Bill 26 will alter the Fire Departments Act in a most dramatic fashion and this alteration will take place with no real consultation or input from firefighters of Ontario.

The Solicitor General, on December 14 in the attached letter, agreed with the Ontario president, Mr Jim Lee, that the consultative process as promised by Premier Michael Harris, by members of cabinet, by government members and by Conservative Party candidates has not occurred.

In the summer of 1994, president Lee of the Ontario Professional Fire Fighters Association called upon the province of Ontario to establish an independent commission of inquiry to examine the delivery of fire protection to the citizens of Ontario. Less than a year later, the Ontario Association of Fire Chiefs circulated a petition urging a similar inquiry. Neither request has been acted upon. Instead, the government has introduced Bill 26, which would alter the delivery of fire protection, and has done so without prior consultation with either the firefighters or the fire chiefs.

1010

Below we've outlined some excerpts from a letter addressed to all chairs of municipal electric utilities that outline the criteria why certain bodies have been exempted from the process of Bill 26; namely, because they're going through a recently instituted inquiry or examination of their areas of expertise. That letter is attached.

Emergency services, and specifically fire departments, have never had a positive cash flow in the business sense. They are an emergency service. They exist so that in a time of need they are available. People band together and form a community in order to share the burden of the

cost of protection for our families. In the event that a watermain breaks, you call public works, but when your child is in danger of drowning, when your mother is trapped in an automobile wreck, when your spouse is inside your burning home, you call for firefighters. We have been there in the past. Bill 26 could alter that; we may no longer be there.

In light of the fact that the restructuring review of the delivery of fire protection in the province of Ontario was ongoing prior to the introduction of Bill 26, and in light of the fact that the government members during the election assured firefighters in the province of Ontario that consultations would occur prior to any changes, and in light of the fact that these consultations have not taken place, we respectfully ask that the government exempt the Fire Departments Act and firefighters from the impact of Bill 26 and allow the democratic consultative process to commence. Thank you on behalf of the Ontario Professional Fire Fighters Association and the professional firefighters in northwestern Ontario.

**The Chair:** Thank you. Unfortunately, due to the length of the presentation, we only have a little more than two minutes per caucus for responses. We'll start off with the third party.

**Mr Christopherson:** Thank you very much for that excellent presentation. Of course, having been the Solicitor General responsible for fire services, I'm very much aware of the issues that you've raised here. I would want to ask you three quick questions if time would allow.

The first thing is, given the absolutely clear promises that were made to you by the now government, and also linking that with what's happened under the anti-worker Bill 7, where there weren't any public hearings and you lost other rights that you had, my first question is, do you feel betrayed by this current government in terms of the promises it made to you?

**Mr Gorrie:** Yes.

**Mr Christopherson:** Good. Thank you. I can share with you that in Hamilton last week we had the Police Association of Ontario come in also, fill the room with police officers, and their opening comments were along the lines of, "We've been betrayed also." I think that's quite telling in that this government for years as the opposition party ran on a platform in the House of public safety being the priority, and the first chance they have to do something about it, they turn their back on you.

The second question would be, do you believe that as a result of this—because the government suggests that some people are fearmongering—do you honestly believe that the result of Bill 26 could be that there is less effective fire service in the province of Ontario and that Ontarians may now be vulnerable if actions under Bill 26 are taken?

**Mr Gorrie:** Yes. The municipal intent is to reduce costs; we understand that. We're an easy target. Fire departments don't generate any revenue. Our costs are high because of our labour-intensive portion of the job. It's ongoing already within the province to downsize fire departments. It won't change under restructuring. It's a tool that will allow for volunteers to come in and take over from full-time firefighters areas of service to be



downsized—fire protection, mechanical apparatus, maintenance, suppression itself.

**Mr Terence H. Young (Halton Centre):** You made a couple of statements that really, really concern me. One was, "Bill 26 could alter that, we may no longer be there." Another one was, "Bill 26 will alter the delivery of fire protection." As you may know, the purpose of Bill 26 is to give the municipalities the power to deal with cuts in funding which we've passed down without raising taxes. That's the purpose of the bill. The cuts to Thunder Bay amount to about—I haven't got it exactly, because I don't know their total spending—3% to 4% of the total budget of the city of Thunder Bay. We think they can handle it. We think they can handle it without hurting fire services.

The only comment I've heard from any municipal official about charging for fire services was Mel Lastman speculating he might charge somebody who was from out of North York who came in and had a car fire. Has anybody locally made any comment about charging user fees for emergency fire services?

**Mr Joe Adamkowski:** Sharon Hachio of the telephone service, the general manager here in Thunder Bay, had made the comment that there's no reason that a user fee should not be charged to those particular individuals who have false alarms.

**Mr Young:** That's somebody with the telephone company?

**Mr Adamkowski:** One of the general managers within the corporation.

**Mr Gorrie:** The telephone company administers the alarm system.

**Mr Hampton:** It's owned by the city. Learn your geography.

**Mr Young:** There's no need to get nasty. I'm well aware of that. I walked past Bell Canada for 14 years.

**The Chair:** Order, gentlemen.

**Mr Frank Miclash (Kenora):** Just a very brief statement first of all. I must say that I'm impressed with the presentation, gentlemen. I was lobbied by the local firefighters of Kenora before coming down here, as you will know. A question that I asked—and your presentation states this so clearly—all of last week sitting in the hearings regarding the health care issues, was on consultation to the actual drafting of Bill 26. I asked this question many times and found out that not only was your association not consulted, but many, many groups across this province. I haven't yet found one that was actually consulted on the drafting of Bill 26. So again I congratulate you for making that statement very clearly here in your presentation.

At this point, I would just like to turn the mike over to my friend from Thunder Bay.

**Mr Gravelle:** I just want to acknowledge that Mr Adamkowski, here with the Thunder Bay Professional Fire Fighters Association, has presented a brief as well, which we'll be putting before the committee.

I just want to quickly ask you about the whole user fee tax issue. Obviously, the implications in terms of fire alarms are there. I wonder if you can quickly expand, if we go further down the road, in terms of what it can mean. Mr Young mentioned Mr Lastman's thing. You

can just mention what that is and explain to us, if we go down the road a little further, how scary this can be in terms of simply public safety.

**Mr Gorrie:** Public safety. If we just talk about the penalty fee for false alarms, we'll find people not turning in alarms, or in fact what we could have is landlords disconnecting the alarm system. It would prevent citizens from turning in an alarm. Even if the alarms are false and done maliciously, it would prevent that, but it would prevent a legitimate alarm from reaching the fire department. That's our concern about the penalty fee for excessive alarms.

The second aspect: Mel Lastman is talking about a \$300 fee for car fires. A car fire is a dangerous situation if it's not attacked quickly and correctly. Especially in light of today's propane-powered vehicles, you approach it the proper way. If members of this committee aren't aware, the hazards involved with just approaching a hatchback car with the pistons in the back, if you're not aware of that situation, you'll wind up with one of them through your forehead—or perhaps a bumper piston, the same thing. People fighting their own car fires for the sake of \$300—and it will happen. We have people today who believe that they have to pay a fee when we turn up at a fire scene. There's no such fee administered, but they believe they have to pay. They will be fighting their own car fires. That's Mel Lastman.

We'll put it down to what's happening in Scottsdale, Arizona, where they've privatized the department altogether. What happens there if you don't pay your fee? They'll pull up in front and protect your neighbour's house—he paid the fee—but yours goes to the ground.

**The Chair:** Gentlemen, your half-hour for your presentation has come to an end. I want to thank you for coming forward today to make your presentation.

**Mr Christopherson:** On a point of order, Mr Chair: Earlier we discussed the issue of amendments being introduced, and what I heard from the government as a follow-up to Mr Phillips's questions was that they weren't aware that anything different was happening with the other committee. I've now been advised that within the last 15 minutes the other committee, meeting in Kitchener, has indeed been advised of government amendments. What I want to know is, if that's indeed what's happening in Kitchener and it's good enough for those delegations to hear the actual legislation being proposed, why isn't it good enough for the people in Thunder Bay to hear the amendments that are being proposed for the parts of the legislation that we're looking at? Could I have an answer to that from one of the delegates from the government side?

**The Chair:** It's not a point of order; it's a point of information. Mr Sampson can respond if he so chooses.

**Mr Sampson:** I am trying to check into this alleged release of amendments. At this point in time, I have no information that amendments have been tabled at all in Kitchener. Whether they relate to what aspect of the bill we're still trying to track down. At this point in time, I have no indication, no confirmation at all that amendments have been tabled at all. As I said, we're prepared to table them when we think that we can respond to the issues and concerns raised by people.



1020

**Mr Christopherson:** Chair, if I might, please, it's very important to us as the opposition. I would ask that the government—I'm sure there are staff people here from the government—get on the phone and talk to people down there. We've been advised very directly, from our staff on the scene to our staff here with us today, that those amendments have been presented.

**Mr Phillips:** We've got them.

**Mr Christopherson:** I would ask the government to get on top of this and start telling us the same thing that's happening in Kitchener and quit handing us out more fairy tales.

**Mr Phillips:** Mr Chair, I hope the people of Thunder Bay understand the importance of this issue. The people in Thunder Bay were told at 9 o'clock this morning that the government was not going to table amendments until we begin clause-by-clause. The chamber was told that. The firefighters were told that. We were told that the reason they were doing that was so they could hear everyone.

We now have copies of amendments that had been tabled by the government at the other hearing of this same committee—the committee's split in half—so we're frankly being misled. We're being told that the government hasn't prepared these amendments, is listening to everybody. At the very moment that the government was telling us that in Thunder Bay, 1,000 kilometres away from here the government was tabling amendments. Frankly, once again we're being misled.

**The Chair:** Mr Phillips, perhaps you can table those with the committee and we can ask the government members to look for their—

**Mr Phillips:** We are going to demand that the government table its amendments.

**Mr Pouliot:** Then we'll get shackled and muzzled.

**The Chair:** I don't believe that the government members across have copies of those amendments at this point in time.

**Mr Sampson:** On a point of privilege, Mr Chairman: I have no amendments in my hand, I have no amendments to table, I have no idea what Mr Phillips is speaking to. I'd be prepared to receive a copy of them and look at them.

**Mr Phillips:** You are misleading us. You are deliberately misleading us.

**Mr Christopherson:** Why were you so quick to give assurances an hour and a half ago that there weren't any amendments and now you're saying, "Well, gee, I really don't know"? What's the truth for the people here who are coming forward to talk about this?

**The Chair:** Mr Phillips, I'd appreciate it if you would table those with the committee. We'll pass them over to the government members and they can check into those. In the meantime, we can continue to hear from deponents who are here waiting to make their presentations. I'd like to continue so that we can hear those presentations.

**Mr Christopherson:** It's just a sham.

**Mr Pouliot:** Call the Premier's office.

## THUNDER BAY COALITION AGAINST POVERTY

**The Chair:** May I please have representatives from the Thunder Bay Coalition Against Poverty come forward. Good morning, ladies and gentlemen, and welcome to the standing committee on general government. I apologize for the delay.

You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and responses from the three caucuses. I'd appreciate it if at the beginning of your presentation you take some time to introduce yourselves for the benefit of committee members and Hansard.

**Mr Pouliot:** How can you be a party to this charade? We are being misled.

**Ms Chris Mather:** Are we free to start, Mr Chairman? You don't wish to respond to Mr Pouliot?

**The Chair:** We want to hear your deputation, please.

**Ms Mather:** First of all, I'd like to introduce the other people with me. My name is Chris Mather and I'm the spokesperson for the Thunder Bay Coalition Against Poverty. To my immediate right here is Mr Len Maki, another member of the coalition. On my far left is Miss Audrey Saxberg and next to me is Ms Connie McKnight, also members of our coalition.

The Thunder Bay Coalition Against Poverty—we call ourselves T-CAP—is a grassroots organization of people concerned about the depth and extent of poverty in Thunder Bay. We are a volunteer organization which has no paid staff and which receives no funding other than private donations. We have about 80 members, of whom approximately 75% are themselves low-income people. Our primary purpose is to provide support to and advocacy for low-income people.

At this point, Mr Chair, I would like to draw attention to the fact that one of the Conservative members has left the chamber. Last week, during our presentation on the health schedules of this bill, only one member of the Conservative provincial caucus remained in the chamber while poor people gave their presentation. We truly hope this doesn't indicate a lack of interest in the concerns of northern poor people on the part of the provincial Conservative caucus. Thank you.

Before we begin our examination of some of the specific schedules of this piece of legislation, we would like to provide some general information concerning the composition and living circumstances of poor people in the north. We believe that in this way the government will have a context from which to consider our concerns, a framework in which to judge their validity.

The low-income population is diverse. However, there are identifiable groups within it. These groups include women; single parents; senior citizens; people with physical, psychiatric and/or developmental disabilities; visible minorities, including the members of our first nations, and immigrants. It is the effects of the legislation on these people which we will be addressing today.

So far in this government's term of office, the particular difficulties facing the poor in the north do not appear to be a part of the government's awareness. The cost of food is higher up here. Food in Thunder Bay costs more



than food in Toronto. Food in smaller communities such as Beardmore costs more than food in Thunder Bay. Food prices on fly-in reserves are astronomical. We've seen reserves where a head of lettuce is \$3.

Housing costs up here are high. Thunder Bay has the third-highest housing costs in Ontario. When our extreme weather is factored in, housing costs rise. Transportation is also an area of difficulty for Thunder Bay's poor people. They do not generally have cars, and our public transit system has been cut back. On some bus routes, the service is only once every 40, minutes, 80 minutes on weekends. Imagine that wait in minus-20 degrees cold.

None of these factors appears to have been taken into account by the government in its cost-cutting measures. We believe this relates to poor people's lack of a political voice. They are generally not consulted turning the legislative and/or policymaking processes. They lack the political or economic clout to be able to lobby governments to protect their interests. T-CAP believes this is particularly true of low-income people in the north.

Having provided a context, we will now address some of the specific schedules of Bill 26.

The first set of new measures or amendments to statutes which we will examine are those under schedule M. These measures will hurt low-income people by stretching their already inadequate budgets to the breaking point. We have four points to make in this regard.

(1) We are opposed to user fees because they affect low-income people to a greater degree than other sections of society. Obviously, \$5 means more to a person living on \$550 a month than it does to someone who's making \$3,000. Currently, municipalities can only levy user fees for services designated in provincial legislation. Under schedule M, the situation will change so that a municipality can impose fees for pretty much anything except the loaning of books through a library. Giving so much autonomy to a municipality could be disastrous for poor people.

Poor people's recreational activities could be curtailed by user fees on public parks, thereby adding to their social isolation. Poor people's children's ability to participate in sports could be hampered by user fees on skating rinks and swimming pools, thereby introducing yet another form of discrimination against poor children.

Poor people's access to transportation could be made more difficult. In this community, public transit is a low-income service. Members of our coalition ride the bus every day, and we know it is a service primarily used by the poor, especially single-parent families, seniors and people with disabilities. We cannot emphasize the point too much that in the north, unless you are poor, you drive a car or a truck.

This is not Toronto with a bus, streetcar or train due every 10 minutes, yet even before Bill 26 is enacted, our council is discussing increasing bus fares to \$1.50 per trip, with no discounts for seniors, the disabled and/or children. This means that for a mother and two children to go grocery shopping will cost \$9.

1030

To digress from the printed text for a moment, people on low incomes generally don't have freezers, and I know from personal experience of my own time on social

assistance that you can't get more than a week's groceries home with two kids on a bus. That means that if it's \$9 a week to go for groceries, it's \$36 a month. We know low-income families who have to take a kid to the doctor every week for an allergy shot. If one parent and one child goes, that's another \$6 a week. We know people with psychiatric disabilities who have been ordered by their psychiatrist not to stay in their house every day, to get out of their home every day and not sit in four walls looking at TV, drinking coffee and smoking. That comes to \$21 a week, which comes to \$84 a month.

In Thunder Bay, transit is a low-income service.

Poor people's safety could be compromised by user fees on snow removal in front of their homes and by user fees for emergency police and fire responses. Who would like to imagine an Ontario where a senior has to decide if he can afford to call the fire department, or a woman has to decide if she can afford to call the police when in danger of violence?

Lest it be thought that these are alarmist concerns, T-CAP would like to quote a municipal politician who stated his intention to levy user fees "on just about anything that moves." Jim Lee of the Ontario Professional Fire Fighters Association stated in December that the association feels: "User fees in the fire service is a recipe for disaster. We will have individuals...exposing themselves and others to severe injury."

(2) The amendment to subsection 220.1(2) of the Municipal Act has been interpreted to mean that a municipality may enact a bylaw allowing a fee that is "in the nature of a direct tax for the purposes of raising revenue." This seems to us to meet the definition of a head tax, which is a regressive form of taxation and which therefore will affect poor people more than rich people. What is particularly alarming is that subsection (9) ensures that there can be no appeal to the OMB against user fees on the grounds that they are unfair or unjust. What could be more unfair or unjust than a head tax?

(3) Section 33 makes privatization of public utilities, including electricity, water, sewer and/or transit services much easier. The amendments take away the requirement to hold a municipal referendum. In other jurisdictions where privatization has been allowed, the impact on low-income people has been disastrous.

When Margaret Thatcher's right-wing regime privatized the water system in England, the effects were severe enough to catch the attention of the Wall Street Journal. That newspaper noted that six years after privatization, 1,000 people per month were having their water cut off because of their inability to pay. The average cost of water per year rose from \$150 to between \$250 and \$800. The British government generated \$8 billion through privatization at the time of sale. This was, however, a one-time benefit to the community, and the new owners have the long-term benefit of the shares now being worth US\$20 billion.

Here in Thunder Bay, we have a water treatment system which has had consistently positive quality evaluations and which generates considerable income for the community, as well as providing much-needed jobs. Despite all this, our municipality is already willing to entertain proposals for its privatization.



(4) Conservation authorities have had their budgets slashed by 70%. This schedule limits the amount conservation authorities can charge the municipalities with which they are associated. They will now only be able to charge an amount equal to that provided by the province. Municipalities can decide to contribute more money voluntarily, but in a time of massive overall cuts, this does not seem likely. What does seem likely is that either parks will close or that previously free facilities will have admittance fees.

Within our city limits, we have two wonderful areas maintained by our conservation authority. Cascades Park and the Mission Island Marsh provide low-income people with the chance to be in a wilderness area without having to own a car. It will be a genuine hardship for poor people if they can no longer have access to these areas.

Turning now to schedule J, which amends the Pay Equity Act, we would like to remind the government that most single parents are women and that most single parents live below the poverty line.

Our point concerning this schedule is that it abolishes the proxy method of achieving pay equity. This method was very important to the estimated 100,000 low-paid women working in such areas as day care and nursing homes. The usual way to achieve pay equity is to compare the pay for a job done by a woman to the pay for a similar job done by a man. Of course, this method was not available for women working in the areas we mentioned because they are female-dominated job classes with no comparable class of male-dominated jobs. They're called the "pink collar ghetto."

The proxy method allowed public sector employees in this situation to compare their pay with the situation of another group of public sector employees that had been able to find a male-dominated job class with which to compare themselves. The ending of proxy pay equity leaves many low-paid female workers with no way or hope of getting a decent wage. They will remain a part of the working poor.

Concerning schedule K, which amends the Freedom of Information and Protection of Privacy Act, we have four points to make:

(1) We echo and endorse the position of the Information and Privacy Commissioner, who says that the measures contained in this schedule threaten the "fundamental right" of people to know what the government is doing.

(2) Allowing an institution with which a citizen is in dispute to determine whether to allow that citizen access to information is ludicrous. It's a little like setting a fox to guard the henhouse. Does this government have no understanding of the life-altering power social and health institutions have over poor people?

(3) Charging user fees for information will, as the Information and Privacy Commissioner pointed out, deter some people from seeking information. The people it will deter are poor people.

(4) This schedule increases the disparity between rich and poor concerning their access to information. Rich people already have more information because of their ownership of technology and their membership in business and professional networks. Information is power, and therefore this schedule reduces poor people's power.

Concerning schedule P, we have just one point to make, that low-income people are disproportionately represented in the criminal justice system, both as offenders and victims. Under this schedule, the quorum for a parole meeting has been reduced from three to two. This in effect means there will be a reduction by one third of the people involved in the parole review process. This is not to the benefit of the community, as it could lead to offenders being released to reoffend. This is not to the benefit of the victim, as their experiences may not be fully considered. This is not to the benefit of the offender, as they need as much thoughtful help as possible to return to the community in a healthy and law-abiding way.

In summation, when an election is upcoming, political parties do all they can to convince people to vote for them. Before an election there is no such thing as a candidate not having enough time to consult with a potential voter. Things change after the election. What seems to get forgotten is that a government is elected to take care of the wellbeing of all citizens, not just the rich, not just the members of powerful groups, and not even just those who voted for it.

T-CAP's analysis is that, when taken as a whole, the schedules of Bill 26 have a tendency to look after the wellbeing of the rich and powerful and either to passively ignore or actively decrease the wellbeing of the poor.

We have discussed in some detail those schedules which hurt the poor. We would like to briefly mention that we believe the exclusion of private sector employers from the provisions of schedule A, the facilitation of the downsizing of the public service through schedule L, and the elimination or reduction of the requirements of mining companies to guarantee their cleanup of mining sites under schedule O, indicate a strong bias on the government's part to favour the rich.

We wish also to say that we find it contradictory of this government to say it wants to get government out of the lives of Ontarians, and at the same time act to give two of its ministers, the Minister of Health and the Minister of Municipal Affairs and Housing, so much new authority and so many new powers.

#### 1040

We have already stated that low-income people do not generally have a loud political voice. The process of bringing this bill into law is just one more proof of that assertion. This government should be ashamed that it is only through the extreme actions of the opposition parties that there have been public hearings at which T-CAP has been able to present. While we are grateful for this opportunity, it must be stated that we are still not satisfied with the level of public input and, because of who we are, the level of low-income people's input into this highly complex bill. We wish to publicly lend our support to the call on January 5, 1996, by the leader of the official opposition for the public hearings into Bill 26 to be extended and for the legislation itself to be broken down into separate sections to be enacted separately.

The Savings and Restructuring Act will in fact restructure the administration of the province in a direction which creates more bureaucracy and less accessibility for low-income people. The savings created by this change



in direction will be at the considerable expense of low-income people, those who can actually least afford it.

Thank you for listening to our presentation.

**The Chair:** Thank you very much. We have three minutes per caucus for questions. We'll start with the government caucus.

**Mr Sampson:** Thank you very much. I've had seniors on fixed income come into my office and my constituency and suggest to me that they're paying realty taxes either because they own a piece of property or they're renting, and that is doesn't seem fair to them that they're paying for recreation facilities, skating rinks that they clearly don't have access to and really don't feel they should be paying for with their limited dollars, ever-increasing limited dollars because their rent seems to go up year over year and their cost of living seems to go up year over year. How do we deal with that aspect as it relates to the user fee comment that you had?

**Ms Mather:** I have never been able to find in my search through any of the major world religions, whether it be Buddhism or Christianity, or through any of the major ethical systems in philosophy, such as Utilitarianism or Kant's moral imperative, or through my own personal searching, any justification for the notion that a society should not be taking care of everybody within that society.

I find it morally, philosophically and ethically indefensible to say that one set of people shouldn't pay for such-and-such a service because it's used by other people. It's the same kind of argument used by people with no kids to say, "Why should we pay for public education?" It's a species survival mechanism. If they can't understand philosophical systems, if they can't understand religious dictates, then take it down to an atavistic level and talk about species survival. I guess that's my answer.

*Interjections.*

**Ms Mather:** I guess that was what I was trying to say simply.

**Mr Young:** Did you know that Bill 26 brings 140,000 new low-income people on to the Ontario drug benefit plan?

**Ms Mather:** The Ontario drug benefit plan has also been amended in ways that will hurt people who are already on the drug benefit.

**Mr Young:** So you did know that?

**Ms Mather:** I did not know that and I didn't think—

**Mr Young:** You did not know that?

**Ms Mather:** May I finish my answer to your question?

**Mr Young:** I'm just trying to get clear if you knew it or you didn't. We hear all the negative stuff, we don't hear a lot of the positive stuff, that's all.

**Mr Pouliot:** I guess if you're poor you expect to be interrupted.

**Ms Mather:** Or a woman.

To give you an answer, Mr Young, I didn't think we were discussing the health schedules today so I'm not as well prepared on the health schedules as I would normally be. But what I do know about the health schedules and about the Ontario drug benefit plan is that the literally hundreds of people who have psychiatric disabili-

ties in Thunder Bay are in a climate of fear about the changes to the Ontario drug benefit plan.

**Mr Gerretsen:** Very quickly. An excellent presentation, and you're right, this is not consultation. You can make a presentation, we can have a quick response. True consultation goes well beyond that.

You picked up on the transportation issue, which is an excellent one. There's a very small section that changes the words from "equal to," in other words, where the province gives an equal amount of money to a transit system to what the municipality puts in, to "not exceeding," which means that after this the province can unilaterally decide not to fund transit systems the way they are, so the fees will go up even more. Mike has got a point here. You're right on on that one.

**Mr Gravelle:** Good morning, Chris, and everybody else on the panel. Thank you very much. It was wonderful what you're saying, and you're getting your message out in an extraordinary way. You mention the various elements that obviously will affect people on low income and how many aspects there are that really, really are going to make their lives more difficult in terms of just living on a day-to-day basis.

I want to ask you to talk a little about what you mentioned just when Mr Young was making his point. Obviously Mr Young wants to ignore the fact that one of the major broken promises of the campaign was the whole question of user fees, "There will be no user fees," and the user fees in the Ontario drug benefit plan very profoundly affect people on low incomes.

I want you, if you can, or anybody else at the table to expand on how people are feeling and the fear level that simply is there. I know it's difficult to read this bill in great detail and word is getting out that we need more time, but there is a great sense of fear, which affects how people live their lives. So I just want you to tell the people in the room here, and certainly the government members in particular, what it feels like.

**Ms Mather:** I have wanted, ever since the cuts to social assistance, to have the opportunity to tell some Conservative MPPs a story that happened. It relates to fear. There's a fellow in Thunder Bay, one of many who's a psychiatric survivor, meaning he's been through the psychiatric system a lot, and this is not a fellow who is ever going to have a very complex functional life. This is a person, because of his illness and because of the years of abuse that he suffered, who's going to need a lot of help for a long time. So one of our members is downtown one day and she finds this inoffensive little gentleman on the side of the street crying. She says to him—I'll call him Joe. Maybe I should call him Mike. I'm sorry. That was gratuitous. I'll call him Joe.

**The Chair:** Excuse me. I apologize. We have a certain amount of time per caucus and per questions. I'm into the third party's. They may choose to allow you to continue on that line, but I have to allow them their time.

**Mr Pouliot:** Thank you very kindly. I too was moved by your presentation, Madame, and distinguished members of your panel. You voice the concern of the marginalized, the people who don't run as fast as others in society, people who have less, people who are poor.



What this bill does is rather simple. The government takes in roughly \$47 billion a year; the government spends approximately \$56 billion to \$57 billion. The difference is called the deficit. It's \$10 billion. The government of the day has committed to balance the books within one term of office, assuming four to five years. The government of the day is also on the hook for another \$5 billion to \$6 billion because they've promised a 30% tax cut. So that brings us to \$15 billion. In order to achieve the tax cut, which incidentally will benefit the people who can well defend themselves in this society, the government moves up the food chain. Madame, it so happens that you're the first one in the food chain to reconcile \$15 billion.

Those people are in a hurry. It's the same people who tell you if you live on a northern reserve—well, any one of us, because we're all on a waiting list, make no mistake about this—that you can buy a can of tuna for 69 cents, that you can live on \$90 a month if you don't need toilet paper, if you don't need toothpaste and if you have pasta without sauce. I found a can of tuna in Manitouwadge at 69 cents. It had a little pussy cat on the label. And that's the tragedy of what is moved here.

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How do you feel? I personally feel, Madame, that if I have a chance to hope, I can go through a lot of dire circumstances. What should the government tell—because they have power, those people—what should they tell the people who are marginalized, who only wish to have a chance to live and a chance to dream, when they see Bill 26 and what it will bring? How do they feel?

**Ms Mather:** How do who feel? I got lost. How do the government feel or the low-income people feel?

**Mr Pouliot:** Not the government. Never mind. We're all well paid here. The people whom you represent in terms of hope. Is it going to be better next week?

**Ms Mather:** They're terrified, they have no hope, and they're also very angry. They will remember, and T-CAP will help them to remember, at the next election who imposed these conditions on them.

**The Chair:** Thank you, ladies and gentlemen, for coming forward today. Your half-hour has come to an end, and we have to move to the next presenter. Thank you very much for coming forward today.

**Mr Tony Martin (Sault Ste Marie):** A point of privilege, Mr Chair.

**The Chair:** May I please have the Lakehead Board of Education come forward.

A point of privilege for Mr Martin.

**Mr Martin:** I find it, Mr Chair, personally offensive that a group such as this, whom everybody recognizes have so little access to a table such as the one that's in front of them today to tell their story—their story that so often goes unheard, is so insensitively thrust aside so often by those of us who are in positions of power—have yet again today been cast aside and not allowed the two or three minutes it would have taken to finish.

I ask you if the president of the chamber of commerce or the chair of the school board or the president of the police association came forward to speak before us if you would deal with them in the same insensitive and, I suggest, rude way that you've dealt with the group who

was in front of us today and not allow them the two or three minutes that they want, that they ask on behalf of the thousands of people across this province who are in the same situation as themselves, scared for their very livelihoods, to tell that one little story which epitomizes the stories of the people whom they come before you today to speak on behalf of? Is it that you're afraid or is it that it touched something in you that—

**The Chair:** Mr Martin, I understand your point of privilege, but I've been charged by this committee, and we operate under certain rules on this committee. I'm sure there's been a huge number of people who wanted to go on beyond their half-hour, and we've cut all of those folks off too, Mr Martin.

**Interjection:** In the time we've been arguing, she could have finished.

**Mr Gerretsen:** This is muzzling people.

**The Chair:** I'm charged with keeping this committee to certain time lines, and it's certainly not muzzling them. They could have used some remaining time from your party's three minutes to continue. Ladies and gentlemen, I'm sorry, but we've come to the end of the half-hour, and I'd like to call on our next witness, please.

**Interjection:** It's shameful.

**Mr Phillips:** I realize the Chair is carrying out our instructions, but I wonder if we mightn't just all of us agree that we could spend three more minutes.

**Mr Young:** I would move a motion to hear them.

**Mr Gerretsen:** Terry, good for you.

**The Chair:** We need unanimous consent for that motion. I will allow two minutes for a quick story. Thank you.

**Ms Mather:** Thank you, Mr Young. Our member is downtown and she meets Joe, and he is crying on the side of the street, and she says, "What's the matter?" and he says, "My cheque's been cut." Now this is a fellow who doesn't know who Mr Harris is, who doesn't know where his cheque comes from. His only understanding is that once a month he gets a cheque. He's on GWA and he gets a cheque.

He gives the majority of it to the lady who runs the rooming-house that he has his one room in, he gives so much to the Thunder Bay restaurant that feeds him every day, and he buys a carton of smokes, and that's his life. His cheque has been cut and he is now faced with a fear that he doesn't know whether to pay for food, in which case he has no place to live, or to pay for a place to live, in which case he has no food. Smokes are out of the question. Joe's going to be begging smokes the rest of the winter and having smokes be your one luxury is a pretty low quality of life.

So this fellow is crying because this is in September and he is afraid of our winters and he's convinced that he has to eat and therefore he will live on the street and he will freeze to death. That is what your government has done by cutting before looking. Disabled people's money has been cut and I have been wanting to have people from your party hear about Joe since September. Disabled people's money was cut. It is a falsehood to say it wasn't and Joe is now scared of either starving or freezing. That's an atrocity in Canada, in Thunder Bay in 1996.

**Interjections:** Hear, hear.



**Ms Mather:** That's the story. Was it worth it?

**The Chair:** Thank you, ladies and gentlemen, for coming forward and making your presentation today.

#### LAKEHEAD BOARD OF EDUCATION

**The Chair:** May I please have representatives from Lakehead Board of Education come forward. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd all take a bit of time at the beginning of your presentation to introduce yourselves for the benefit of Hansard and committee members.

**Dr Linda Rydholm:** Mr Chair, members of the subcommittee, good morning. Welcome to Thunder Bay. May you have a good day here. Our director of education, Mr Jim McCuaig, at my far right is with me this morning, and Mr Mark Bentz, a fellow trustee and chair of our budget committee is also here. I am Dr Linda Rydholm, chair of the Lakehead Board of Education.

The three of us represent the Lakehead board, the public school system in Thunder Bay. We have approximately 16,500 students, about 1,400 employees, of which about 1,000 are teachers, and 45 schools. Going into the 1996 budget, operating costs are at about \$101 million. Very importantly, over the past four years the Lakehead board has been progressive and aggressive in ensuring student learning while simultaneously reducing those operating costs.

I will speak first about the student learning. That's why we're around. Under our school improvement plan, there has been a renewed focus on learning for every student, and there has been a more conscious and organized assessment of the learning that has taken place. Our students in recent years have tested higher in math and literacy skills. We are very pleased with these results.

The Lakehead board has been part of a four-board learning consortium in the province. This learning consortium has offered to work with the education quality and accountability office in Toronto. That office was first begun by the NDP and has been continued with the Conservative government.

Our board in Thunder Bay is geographically in the distance. We are very far from other places in the province, but we want to assure you that we are educationally in the forefront. Learning is taking place here and we can prove it.

Our entire school system exists to support the learning. We initiated school councils, school improvement teams even before the former Minister of Education directed us to do so. We were one of the very first in the province. We have developed a long list of various partnerships within our community: schools linked up with different businesses, elementary students singing in choirs with senior citizens. We have a long list of these community partnerships.

There has been, very importantly, extensive staff development. That staff development has been essential to help everyone understand and become part of our school improvement plan. There has been enthusiasm and success.

Since 1991, our board's operating costs have been reduced considerably. Cost savings were achieved throughout the budget. Some schools were closed, some programs were cut. There has been an increase in class sizes—more kids in the classroom. Notably, we have reduced the number of administrators and support staff. Somewhat to our chagrin, we did that even before the social contract took effect. That hurt us. But in fact, we and the local separate school board have the lowest number of administrators in similar boards per student population in the whole province. We are lean.

1100

Our board is not perfect in operations, but there have been significant cost reductions made in recent years while still ensuring student learning, student success. We are not here to praise or criticize any of the three parties, but regardless of what's been happening in Toronto, we have been improving academic learning and decreasing costs. We wonder, though, how much longer we will be able to do the two simultaneously.

In 1996, there will be further reduced provincial funding for all school boards across Ontario. Our board recognizes the economic necessity of decreasing the provincial debt—the deficit yearly and the overall debt. We know that education comprises a big portion of the provincial budget and that education must share in the budget cuts. Reduced provincial funding for school boards is not welcome news but it is understandable.

The challenge will be for local boards to make local school budgets work properly to protect learning for students while still being fair to local taxpayers and to school staff. Local taxpayers will not welcome increasing local taxes. We've already heard quite a bit about that. Staff will want to protect their salaries, benefits, working conditions and their very jobs. Especially for school boards that have already reduced operating costs, it is going to be very difficult to achieve sufficiently more savings in 1996-97 without looking at the collective agreements.

I want to emphasize right now that our board maintains good working relationships with our collective bargaining groups, with the individual employees. There is mutual respect, trust and openness, especially in the last few years working together on our school improvement plan. However, even our employees at our board may not agree to finding operating cost savings in their collective agreements. There may be great difficulty in reaching agreements in these years of shrinking funds. There may be more unresolved negotiations going to arbitration.

Traditionally in Ontario, arbitrators have favoured employees—teachers—when assessing unresolved contract situations. Consequently, some boards have settled higher than they really wanted to in order to avoid going to arbitration or strike. Traditionally, the agreements after arbitration or strike have favoured employees. This has been the practice across Ontario.

Bill 26, the Savings and Restructuring Act, recognizes the difficulty that boards have had regarding arbitration. The legislation under schedule Q introduces new criteria which must be considered by interest arbitrators under the School Boards and Teachers Collective Negotiations Act. The criteria affecting school boards and teachers will be:



(1) the employer's ability to pay in light of its fiscal situation; (2) the extent to which services may have to be reduced if the current funding levels are not increased; (3) the economic situation in Ontario and in the municipality or municipalities served by the board; (4) a comparison between the employees and other comparable employees in the broader public sector of the terms and conditions of employment and the nature of the work performed; (5) the employer's need for qualified employees.

These five new criteria seem fair. They seem fair to employees; they seem fair to taxpayers. They address the local and provincial taxpayers' ability to pay. This could go up or down in future times, but this legislation allows for that fluctuation.

The criteria address protection of services. Programs, services and learning should be maintained for students. The criteria also recommend a comparison with other employees in the public sector. This too seems fair. They recognize the employer's need to have employees who are qualified to do the job. This is reasonable.

Overall, these five new criteria are fair, but also necessary if school boards are expected to negotiate at the local level to save money in collective agreements. This part of Bill 26 will help school boards to preserve learning and programs for students, and will at the same time help boards to be fair to employees and taxpayers, a difficult balance to achieve.

There has been imbalance at the arbitration level, with taxpayers paying the price and contributing to the huge provincial debt. The new criteria regarding arbitration will help the bargaining process. However, there is concern that even with this new legislation concerning arbitration, school boards will not be able to find sufficient cost savings for this year, 1996. This enabling legislation, as we talk about it, Bill 26, although helpful, will probably not be sufficient for this year.

Budgets for school boards run through the calendar year, January to December, but teacher contracts follow the school year, September 1 to August 31. Most boards, like ours, are already committed at this time to honouring the existing contracts until August 31, 1996. It will be very difficult to find the required savings in the remaining four months, September to December.

Along with the reduced grants, the provincial government should provide some more specific tools to help us with achieving the necessary cost savings. We need more help. Careful consideration must be given in this direction; more help but fair help.

There is also concern that the criteria in Bill 26 affecting arbitration may not be strong enough. A recent newsletter from the Ontario Public School Boards' Association, which is our big governing body and Lakehead's board is a member, says, "Ontario Public School Boards' Association has called upon the Minister of Finance to strengthen Bill 26 to state that arbitrators' decisions must also not result in any increase in taxes." As well, public school boards want Bill 26 amended so that arbitrators' awards do not exceed wage settlements that have been negotiated by another bargaining unit of the employer. So no increase in local taxes, comparing with other bargaining units.

My trustees have not had full discussion yet on these changes. You can appreciate we did have Christmas break. But this is something to think about and our provincial association is looking in that direction.

**1110**

In summary, the Lakehead board will work to preserve student learning and to minimize local taxes and to ensure fair contracts. Students, taxpayers and staff are all important to the organization. They're all necessary to the organization's functioning.

To achieve cost savings in our budget and in our contracts, we will need help to do it. The new criteria which Bill 26 says must be considered by interest arbitrators under the School Boards and Teachers Collective Negotiations Act will help, but we could use more help, more specific tools to reduce operating costs.

It is the responsibility of local boards to make the education system in Ontario work effectively in each and every community. We welcome and accept that responsibility, and with more help from the province we will be able to achieve the necessary cost savings and still maintain an excellent system.

Now for questions. My address this morning has mainly dealt around the arbitration issue. There are other parts that minimally affect boards, like the public sector salary disclosure act, Pay Equity Act, Municipal Freedom of Information and Protection of Privacy Act. Those give very minimal savings to school boards. We are wondering, Mr Chair and other members present: Under the Municipal Act, will there be exemption for school boards or will municipalities be given the power to dissolve or make changes to boards including our school boards? We are wondering about that part and if anyone has answers, please let us know.

Mark Bentz, our chair of budget, Jim McCuaig, our director, and I welcome questions. As chair of budget, Mark faces a very challenging year answering to our local taxpayers. Jim, as our director, is looking at more structural changes in our organization. We'll do our best to answer any questions regarding our specific board or other boards. Thank you very much.

**The Chair:** Thank you. We have four minutes per caucus for questions, starting with the opposition caucus.

**Mr Miclash:** Doctor and gentlemen, thank you very much for your presentation. Doctor, you indicated some uniqueness of the north and you also indicated that a big portion of government spending comes to education. I was at a rally this past Saturday where it was indicated that transfer payments from the provincial government to local boards would be in the amount of approximately 9%. I was just wondering if you could possibly provide some examples that will give us an idea of what this will do to programs that you now offer, the Lakehead Board of Education—what a 9% cut in transfer payments will do to those programs. I'm thinking of programs such as junior kindergarten, adult education, programs of that nature that you offer today.

**Dr Rydholm:** If Tim or Mark want to add, just quickly let me know, fellows.

Obviously, you can tell from my presentation that our board and other boards seek to protect our programs. We seek to protect the things that we've been putting in



place. We have already reduced, and that was under previous governments, previous cuts. We have been told about a 3% reduction. I'm not sure about this 9%. Translating \$400 million to our board based on population would equal about \$4 million. That's quite a chunk, but it's closer to around 3% or so. We won't know. In fact this raises a big problem in education funding. We never know until about March or April what the exact dollar figures in the grants will be for us. It's very difficult. We're already committed with the programs. We're paying for those programs that year, resulting often in local increased taxes. So yes, we're facing a tough year and we're not sure just what it will mean in cuts anywhere.

**Mr Miclash:** Just a point of clarification: It's 9% on transfers, 3% on overall cost, overall expenditures of the board. I thank you for that. I'll pass to other members.

**Mr Phillips:** Firstly, on your comment on the elimination of boards, right now, you are right: In the bill a municipality, through a bylaw, could eliminate the school board—as simple as that. Now, the government has not been very forthcoming on what it's going to do. They said they are going to protect school boards, but we haven't heard whether it's through regulation, which as you know is the stroke of a pen, or in the legislation. So we'll await their response to you. I'll at least assure you that we'll be proposing an amendment that does protect, through legislation.

On the arbitration, you no doubt are aware that the language you want for arbitrators exists nowhere else. It at one time did exist in Ontario and British Columbia, and then was taken out because it couldn't work. It didn't work. So what you're proposing is a process in arbitration that's been talked about a lot, been tried twice and failed. I'm wondering why the school board is proposing that we embark down a road that's been tried several times, failed, and exists nowhere else now because it has failed.

**Dr Rydholm:** What has been happening has failed as far as we are concerned. Having nothing has failed. So we are optimistically hoping that these five new changes will help, and they should.

**The Chair:** Thank you. Mr Hampton.

**Mr Phillips:** So you want us to try something—

**The Chair:** Sorry, Mr Phillips.

**Dr Rydholm:** What I'm saying is what is happening now has failed. Were those exact criteria—what years were they in?

**The Chair:** We're into the third party time. Mr Hampton.

**Mr Phillips:** Well, I assume you've done the research, but—

**The Chair:** Order, please. Mr Hampton's time, please, Mr Phillips.

**Mr Hampton:** I want to ask you a general question. I'll tell you what bothers me. Education in the province is going to take a \$400-million cut. I have no doubt that's going to affect people in the classroom. At the same time, by the government's own election documents, which they refer to over and over again, there's going to be a tax cut of over \$5 billion, two thirds of which is going to go to people who earn over \$50,000 a year. All right?

**Dr Rydholm:** That's my understanding, yes.

**Mr Hampton:** That's by the government's own document. Doesn't that bother you? You're trying to provide a valuable public service that has a lot to do with the future of this province and the future success of this province, and you're being told, "Do it with less money; \$400 million less across the province." At the same time, the government says they're prepared to offer up \$5 billion in tax cuts to people, and two thirds of that is going to go to people who earn over \$50,000 a year. Something seems strangely awry here. I don't think this has anything to do with deficit; I think it has a lot to do with taking money out of public services, taking money out of lower-income people and middle-income people, and transferring it to the wealthiest people in the province.

**Dr Rydholm:** Spending our way out of the debt didn't work. Mark wants to say something.

**Mr Mark Bentz:** I would agree wholeheartedly. As trustees, we have the interests of children at heart. To see these cuts coming so quickly, so fast and so big is quite saddening. I think the face of education will change dramatically. I guess the reality is that there is a debt and we are being cut. As to how the government is apportioning these costs in different areas, they're cutting some to give some back to others. Of course we oppose that. I guess we aren't really here to talk about that facet; we're here to talk about Bill 26 and how it affects the school boards.

**Mr Hampton:** But Bill 26 is part of that whole scenario.

**Mr Bentz:** Certainly. I think as trustees and educators, we oppose any cuts to the classroom, because what you're doing is basically making the children pay for a debt they did not accumulate. Children are our future. We can all agree to that.

**Mr Hampton:** The Canadian Bond Rating Service is one of those bond rating groups that look at all provincial governments and the federal government, and they rate their fiscal strategy. They said in a paper in the fall that the most challenging part of what the government's trying to do is not debt and deficit; it's the tax cut. They said that is the biggest wallop that has to be dealt with. So I find it a little hard to believe that the government says it's the debt and the deficit when even a bond rating agency says, "No, no, the big wallop, the big thing that has to be swallowed here, is the magnitude of the tax cut which is going to the wealthiest people in the province." I wonder, what does that say about the priority of education to this government?

1120

**Dr Rydholm:** We're addressing Bill 26.

**Mr Hampton:** Bill 26 is the operative means to deliver the tax cut and to cut those services. The group that was just here before said: "We don't understand. Poor people are going to have to handle heavy user fees; they're going to have to do with less income." For example, the lowest-paid women in the province are losing pay equity. And they're saying, "Some of the services that we depend on most, public transit, education, are being chopped in order that this tax cut can happen."

**Dr Rydholm:** My understanding is that with the money that is given in tax cuts, it will therefore allow that money to circulate, whether it's being spent or



whether it will be invested, and then that will further the economy. That is my understanding.

*Interjections.*

**The Chair:** Order, please. We're into the government caucus's time. Mr Young.

*Interjections.*

**The Chair:** Order, order. Mr Young, please.

**Mr Young:** Can you start the clock over, please, Mr Chair?

You said that since 1991 you've had to close some schools and the class sizes got a little bit larger, and this is during the former government's reign. So they created \$50 billion worth of new debt. I find it highly ironic that we're being criticized now for trying to restructure so that you can keep the money in the classroom and pay less in admin costs. But I do want to assure you that the definition of local boards does not include school boards. One way or another it will be addressed. I don't know exactly how, but it will be addressed.

We are committed to making the public sector arbitration process more responsive to reality, economic reality, and be fiscally responsible. New Brunswick requires arbitrators to consider "the fiscal policies of the government of the province of New Brunswick," and in Alberta they have to consider "the general economic conditions in Alberta."

In the past, arbitrators were not required to consider an employer's ability to pay when awarding an increase, and yet we know in the sector where there's compulsory arbitration the awards have consistently outstripped settlements in that sector by 1.5% to 2%. As well, the unions have to battle and wait 24 months to get their money in some cases. It costs them \$50,000 to \$100,000 to get their money. I wondered if you can comment on that.

**Dr Rydholm:** What you have said speaks for itself, and this is why we feel that any attempt to help with the arbitration process would help here in our province. At the same time, I want to emphasize again what I said earlier. We don't have any great fear at our particular board. We have had excellent settlements and excellent cooperation with our employees, an excellent understanding and mutual trust and openness, and that will continue. But generally across the province when one reads fact-finder reports regarding where there hasn't been these good relations, one realizes that when it gets to the point of arbitration that there's help needed there.

**Mr Young:** I want to thank you for the statement you made, and I wrote it down, "Reduced...funding...is not welcome news but...understandable." We've heard that from many different sectors, and I want to thank you for stating it here in Thunder Bay.

**Mr Gerretsen:** That's only the second time we've heard it.

**Mr Young:** You're not listening very well then, Mr Gerretsen.

I'd like to ask you what would happen if we don't address the deficit and debt in this province. What would happen to public education?

**Dr Rydholm:** I am not a mathematical genius; I have a son who is. It does not take a mathematical genius, though, to get to very quickly understand that if the debt

continues to increase, we will be bankrupt and we will not have a school system anywhere near resembling the kinds of systems that we have right now across this province. It's absolutely essential. I'm just talking about schools, never mind other things like highways etc.

Yes, we have to, and if we don't make these difficult decisions now, whether it's at our local board, Lakehead board, or for you folks down in Queen's Park, there will come a time when very impossible, very ugly, ugly things will just happen and we will lose everything that we treasure in our province.

**The Chair:** Sorry to interrupt, but your half-hour has come to an end. I want to thank you for coming forward today and making your presentation to the committee.

**Mr Hampton:** Mr Chair, could we just ask a point of clarification? How many times has your board gone to arbitration with teachers?

**Dr Rydholm:** Mr McCuaig? He's been there a lot longer than I have.

**Mr Jim McCuaig:** I don't have any recollection of ever going to third-party.

**The Chair:** May I please have a representative from the Thunder Bay and District Labour Council come forward, please.

**Mr Phillips:** Mr Chair, on December 20—

*Interjections.*

**The Chair:** Order, please. Mr Phillips.

**Mr Phillips:** On December 20 we asked for some information to be tabled and it still hasn't been tabled. It's about—

**The Chair:** Which information is that?

**Mr Phillips:** —settlements being 2% higher with arbitration. I wonder when we will expect that to be tabled.

**The Chair:** I don't recall that that was—

**Mr Phillips:** It's the same information that's often said orally but we've never seen—

**The Chair:** I believe that it's been in some presentations that have been given to the committee.

**Mr Phillips:** Well, can you table that, because I don't recall any evidence supporting that.

**The Chair:** I'll ask the researcher to look to find out which presentations that was in.

**Mr Phillips:** Thank you.

#### THUNDER BAY AND DISTRICT LABOUR COUNCIL

**The Chair:** Good morning and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and response from the three caucuses. I'd appreciate it if at the beginning of your presentation you'd introduce yourselves for the benefit of Hansard and committee members.

**Mr Mike Poleck:** Good morning. I'm representing the Thunder Bay and District Labour Council. My name is Mike Poleck. I'm the secretary-treasurer. With me this morning are Judy Mongrain, an executive member, and she will be talking about the effect on the city workers in



Thunder Bay that this bill is impacting on; and Glen Chochla, who's the chairman of the political action committee, who will be addressing the interests of the health care workers in Thunder Bay and the effect this bill will have on them.

The Thunder Bay and District Labour Council welcomes the opportunity to raise our concerns over Bill 26. The Thunder Bay and District Labour Council represents roughly 43 unions in the Thunder Bay area with 9,000 members falling under different labour codes within the province. These workers deserve the right to present their position and have their voices heard.

Labour council's position is that the passing of Bill 26 is the most undemocratic action ever seen in this province. No one person or group has had adequate time to examine the contents of Bill 26. Communities have not had time to confer and evaluate the changes this bill will bring about or the effect it will have on the daily lives of the people within Ontario.

It seems that every day new information on the effect of this bill is discovered or raised. The Minister of Health and the Minister of Municipal Affairs were unable to explain the meaning of important sections of Bill 26 for which their ministries are responsible. It is our feeling that given the massive nature of the bill, there should be a process to more fully review it. The bill creates three new acts, repeals two acts and amends 44 other acts.

This bill will destroy the distinctive Canadian society that we've come to experience in Ontario. We will move towards a have-versus-have-not society.

Municipalities will be forced to implement user fees for services on a larger scale than we already have. Presently, facilities such as auditoriums and arenas are already charging user fees. As a city raises these fees to compensate for the lost transfer payments, the people who have the least ability to pay will once again be hit.

It would appear that this government intends to move Ontario towards the American style of government where different classes of people receive different levels of public service. The former Conservative Prime Minister of Canada, Brian Mulroney, once said Canada doesn't have enough millionaires. What he didn't make clear is that the Conservative plan was to increase the number of poor people to allow for this creation.

The present governing Conservative Party in Ontario campaigned on a promise of using common sense. They emphasized the commonsense approach to government. They said they would listen to the people of the province and see what the people wanted. What is becoming increasingly obvious is that they meant exactly what they said—they would listen—but that did not mean they would respond to the public's desires or people's wants. They fulfilled the listening promise, but the actions are definitely in accordance with their own agenda and not the general public's.

Bill 26 is simply a power grab by the authoritarian, autocratic government of the day. Even assuming laws with good intentions are introduced, there's no mechanism for public or judicial review. They are given the authority to make law as they see fit. Also, they would not be answerable to the public for the results of the laws if they don't work out.

1130

During the election campaign, the people of Ontario were promised no cuts to health, no cuts to aid for seniors. The process for savings would be discussed, consultation would occur, extensive hearings. Government would work with employee unions and work together to take appropriate action.

When we look at Bill 26, these promises seem to go up in smoke. The hearings on the health care sector last week highlighted the cuts and user fees the government would impose in that sector.

Also under this bill, the Minister of Municipal Affairs could unilaterally restructure, reorganize or dissolve municipalities.

Many women in our community will feel the brunt of the wrath. Bill 26 sees the repeal of pay equity adjustments. This method was intended to raise the historically low wages of women in jobs that had no comparative male job classes in that working environment. These people were generally making the lowest wages and still will continue to do so.

Equally questionable is the enormous power given to the Minister of Municipal Affairs to unilaterally restructure, amalgamate or dissolve municipalities. What does all this mean? How far will it go? As members of a municipality, people deserve some say in the actions and the direction that the municipality takes. They chose to live there. The position of the provincial government is totally a power grab and a blatant attempt at dictatorship.

The areas of Bill 26 affecting health care which will be seen in our community remain the user fees, the allowance of US firms to compete, for-profit health care clinics, the absence of appeal processes for health care providers, the deregulation of drug prices and the direct power of cabinet and the Minister of Health over hospitals and doctors.

Even our environment is not left untouched. Northwestern Ontario has always been involved in mining. Under Bill 26, the laws governing mine cleanup after the closure of a mine are gutted. I'm sure Mr Sheppard of the Steelworkers will expound on this later. An example is the cuts to the Lakehead Region Conservation Authority. The authority may have to sell land to the logging industry to fund its activities. Their funding is said to be cut approximately 70%.

Another aspect of Bill 26 that concerns our members is the attack on the collective bargaining system. In the government's plan to sell off areas of government involvement to its business friends, it has attempted to change legislation covering labour contracts. This bill is a move to throw people out of work and deny them access to existing provisions of the Labour Relations Act and the employment standards regulations. This government feels it owes nothing to long-term employees and wants to change the law to make itself look good. This is definitely not the good-faith action a responsible, decent employer would take.

Even employees who survive the layoffs will be affected. Groups that are now subject to binding arbitration and are not allowed to strike rely on arbitrators to decide their contracts. Normally, arbitrators and boards would not have limited their decision solely on ability to



pay. That attitude would force public sector employees to subsidize the provision of public services. This idea generally equates more readily to an employer's willingness to pay.

Arbitrators would be asked to consider criteria such as the ability to pay, the extent of services needed to be cut if funding levels were not increased, the economic situation in general, the comparison of terms and conditions of employment and the nature of work performed by other employees in the broader public sector, and the employer's need for qualified employees. It would seem the government is setting up a climate for itself, the employer, to ask arbitrators to impose pay cuts, given the government's funding cuts we have witnessed already.

In conclusion, I just want to restate that Bill 26 is the most authoritarian power grab in the history of Ontario. What we have is a blatant attempt to centralize power in the ministries of the government. The government has tried to ram this legislation through the Legislature and impose it on all Ontarians. They did not even want the public to know its ramifications, let alone have an opportunity for discussion. These actions are associated with dictatorship.

The Thunder Bay and District Labour Council remains in definite opposition to Bill 26. We thank the committee for the opportunity to express our position. We have not had an opportunity to thank the government for anything in the last year, and it may be a while before we do again. I'll let Judy proceed.

**Ms Judith Mongrain:** The Savings and Restructuring Act is one of the most regressive pieces of legislation ever brought forward by this government. Though it's quite lengthy, in many ways it's unclear what some of these changes will mean, as they refer to other pieces of legislation and other acts that aren't spelled out in this bill that has been provided to us for comment. In many areas of the document it advises that certain subsections are repealed or replaced with substituted wording which is provided; it doesn't tell us what the wording change will mean. But one thing is very obvious: It will make even clearer the demarcation line between the haves and have-nots.

I want to talk on the forced privatization of public services. This bill will encourage municipalities to privatize the services they provide because of less funding provided by the province. Historically, the majority of services provided for by the public sector are services paid for with taxes because they are the basic needs for people. They require a watchful eye to ensure the health and safety of the citizens. They are services that cannot maintain quality and affordability if they are taken over by the private sector, or, if we do have a profitable service, the profit is used to offset the expenses of other non-profit services.

We find within our own municipality the private sector is very interested in taking over public services where there is a great potential to make a profit, usually because the private sector would be achieving a monopoly, a monopoly that also provides them with the infrastructure to take over the services. The private sector does not have to purchase new equipment and buildings to start this business. Just buy it from the municipality—at a

depreciated rate, of course. Is this fair to the taxpayers of Ontario?

Privatization will certainly take the heat off municipal and provincial politicians, as the citizens won't be able to complain about private companies' service or fees.

Look what is happening in this municipality. The employer has embarked on requesting expressions of interest from the private sector to operate our water and sewage treatment plants. Last year, these enterprises made approximately \$7 million in profit, and \$5 million of that was used to fund infrastructure improvements within our sewer and water systems. If a private firm took over the plants, who would get that profit? We, the taxpayers, would still have to foot the infrastructure costs for our systems. Where would the \$5 million come from? If something went wrong within these privatized water and sewage treatment plants, would we, the citizens, ever be told?

For many years there were attempts to sell off our phone company. This year the municipality received over \$7 million from our phone company that offset the cutbacks from the province.

At some point someone is going to have to pull on the reins of this runaway privatization cart and have a hard look at what all these changes mean to all of the citizens of Ontario.

When talking to the private sector business people, they tell us and they make it very clear that if people can't pay for the services, they won't get any.

Our municipality has been quite proud of the fact that they have been able to achieve a zero tax increase again this year, but user fees are being increased. As user fees have increased, fewer citizens are able to afford to send their kids swimming or skating, or to use public transit. When I suggested to a city administrator that user fees for garbage pickup would be another difficult expense to be afforded by the poor, I was told that there wasn't anything to worry about as poor people, being poor, didn't have as much garbage to put out, so their fees shouldn't be very much.

Are our sport centres, our art centre and our recreation programs only going to be available to the rich, even though all of us have provided tax dollars to start these programs?

At his retirement, our former police chief suggested that maybe there will be a way established for certain areas uptown to pay extra for more comprehensive policing.

Some have even suggested that the fire department bill individuals when they have been victims of fire. Does that mean if we don't have cash in hand, we will watch our homes or businesses turn to ashes, or that those who can't afford to pay will try to contain the fires on their own, putting their lives at risk?

The opening explanatory note that begins Bill 26 states, "The purpose of the bill is to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining and efficiency and to implement other aspects of the government's economic agenda." Does anyone know how putting thousands of people out of work, decreasing moneys to municipalities and decreasing services to the citizens of this province is going to "promote economic prosperity"?



1140

Economic prosperity will be gained only by those who have the money to buy up public sector infrastructures and start charging the taxpayers to use the infrastructures that the taxpayers have already paid for. This bill, when passed, will cause economic and social chaos in this province that will take years to repair.

**Mr Glen Chochla:** I want to just pick up on a few points that Sister Mongrain and Brother Poleck have made. I'd also like to talk a bit about the changes to a number of acts that have established, of course in Ontario, a system of binding arbitration for a number of public sector workers.

What Bill 26 does is it amends legislation that provides for binding arbitration for firefighters, hospital workers, police officers and—I think this is important as well—physicians, because physicians' collective bargaining rights are now taken away completely by Bill 26.

What the government has done is in effect said to arbitrators, "We will create whatever economic situation we want in this province, even if that's created by giving huge tax breaks to the most wealthy in the province, even if that's created by privatizing very profitable public enterprises like the Liquor Control Board of Ontario, which brings in three quarters of a billion dollars a year; even if that means that municipalities can more easily privatize municipal utilities. We'll do all these things, we'll create an economic climate, and you must accept without questioning the economic climate, the fiscal situation that we've created for the province of Ontario."

Arbitrators in the past have dealt with ability to pay in their decisions. They've repeatedly dealt with that and they've said the problem in the public sector with arbitrations, with contract disputes, is that "ability to pay" really means "willingness to pay"; that the government sets its own rules, makes its own decisions on taxing, makes its own decisions on spending, and that it's unfair for arbitrators to just accept holus-bolus the situation the government has created.

So what they have done is they've said, "We will take into consideration somewhat the state of government finances. We will do that, but we're also going to look at what private sector settlements for similar job classifications, for similar-type jobs, have been. That's how we've developed a system of binding arbitration that has, by and large, worked out very well."

If you take away that system, if you destroy the credibility of that system, I think there are two things you're going to be faced with. First of all, you're probably going to get a good number of arbitrators who refuse to be a part of this kind of biased system. I'll remind you that—and I think this was alluded to by one of the opposition members in the previous presentation by the Lakehead Board of Education—in the early 1980s another Conservative government, a more moderate Conservative government but still a Conservative government—a real Conservative government, I think, is a good way to put it. This really is a Reform government or a Republican government.

What we saw in the early 1980s was an attempt to do just this, and the system didn't work. At that time the chair of the Ontario Police Arbitration Commission

expressed concerns that arbitrators may cease to be available since the proposed legislation will impinge on their independence. Those were the comments that he made at the time. I want to suggest to you very strongly that you meet with arbitrators or the head of the arbitrators' association to find out what they think about what you're trying to do here.

I want you to think about something else as well. In the early 1980s we had wildcat, illegal strikes in the hospital sector. We had that, in part, because hospital workers were no longer satisfied and no longer trusted the arbitration system. Watch out as well—in Alberta we've had wildcat strikes by hospital workers because of the things that the government was doing to the hospital sector and because of what it was doing in terms of its labour relations with employees.

So be very careful. We have a system that works. We have a system where hospital workers don't have to go on strike, physicians don't have to go on strike, police officers don't have to go on strike, firefighters don't have to go on strike. That only works because the system is fair. If you destroy that, you're not doing any favours for the people of this province.

I want to just refer as well to section 33 of the Bill 26 because that removes the requirement of a municipal referendum in order to privatize public utilities like electricity and telephone. The reason we're not undergoing a property tax increase or major cuts in services this year in Thunder Bay is because Thunder Bay Telephone, as Sister Mongrain indicated, is turning a profit and historically almost always turns a profit.

Now, what's your agenda here? If your agenda is to really deal with debt and deficit, why are you looking to privatize the LCBO, making it easier for municipalities to give away important municipal utilities to the private sector? Why are you giving huge tax breaks to the wealthy? Why?

Obviously, your concern is not really debt and deficit. Your concern is to transfer wealth from the people of Ontario to the business sector, to your friends in the business sector, and your concern is to transfer wealth from the poorest people in this province to the wealthiest. I'll be blunt: That is absolutely disgusting. I have no doubt that we would've seen already in this city an attempt, a strong attempt, to privatize Thunder Bay Telephone and Thunder Bay Hydro were it not for the protection that we have right now requiring a referendum before these utilities can be privatized. I have no doubt at all.

Just to conclude, I want to talk a little bit about what the agenda of this government is in terms of its respect for democratic procedure. What you're doing is you're trying to transfer economic and political power, again, to yourselves and to the private sector. Look at the way you attempted to ram through this bill in the first place. We had to have a sit-in in the Legislature just to get these hearings.

**Mr Pouliot:** We were muzzled. They locked us in.

**Mr Chochla:** And look at what you're trying to do to the hospitals, to community control over hospitals and community control over municipal boards. You want the power to take over hospital boards, you want the power to take over municipal boards, including school boards



and including district health councils, boards of health, public utility commissions, and you want to be able to concentrate that power in your own hands. That certainly is not democratic, and it certainly has nothing to do with debt and deficit. It's just a power grab.

On top of all that, you want to restrict public access to information about what you do. You're changing the freedom of information act to make it much more difficult for the public to get access to information about what you guys are doing, and you also want to charge user fees for that. Where is your respect for democracy?

Finally, an article in the Chronicle-Journal yesterday: The city of Thunder Bay tried to get standing before this committee and couldn't get it. Even the mayor couldn't be here. What he said was he has some real concerns about what this act is doing, including the power that this gives cabinet to take over hospitals and hospital boards, all of these things. Now, surely, when the city of Thunder Bay tries to get standing and can't get it, the mayor tries to get standing and can't get it, you really have to take a look at expanding these hearings, dividing the bill up and having more public hearings on this incredible bill.

That concludes our presentation.

1150

**The Chair:** Thank you very much. We have two minutes for questions per caucus. We start with the third party. Mr Christopherson.

**Mr Christopherson:** Thank you for that excellent presentation. I appreciate it very much. We don't have a lot of time, so maybe I'll just comment on a few things, and if there's a chance for you to respond to that, I'd like to hear your thoughts.

First of all, one of the theme's from—if I can use your first name—Glen's presentation was, what is the government agenda? In terms of working people, and being here as the labour council, for working people the agenda is: Take away as much power as possible, take away as many rights as possible and transfer that to the employers. That is going in tandem with moving the money from the working people and the poor and the disadvantaged to those who already have. It's consistent, and it's not rhetoric. The facts are there to look at when we look at Bill 7, the anti-worker bill. The government claims all it did was repeal our Bill 40; that's not true. It goes well beyond that. It takes away rights that workers have had in this province for half a century. This government didn't allow one minute of public hearings on that when it replaced the entire Ontario Labour Relations Act.

Now with Bill 26 we see a further erosion of the rights that workers have in the province. We know that it's not just unions that are being affected by this. Again, the government wants to put a label on your forehead and say, "Well, that's just special interests; they're just organized labour." This is about working people and their rights, union and non-union. The issues that you've raised here are consistent with showing the government for what it is, and that is, taking care of its own special interests, and those special interests are those that already have.

I want to say, if I can, under the portion where you talk about the environment, this has been quite a day for breaking news. We've also had in Queen's Park today the release, just recently, within the last hour or so, by the

Environmental Commissioner of Ontario, who answers to the Legislature, not the government, of a special report raising concerns about a regulation that was passed. The commissioner goes on to say, if I can read it: "At a time when many substantial changes are being made to Ontario's environmental laws, public input on environmental policy is even more important. This"—meaning their regulation—"is a blow to the province's most significant and far-reaching legislation in that area."

The timing of this regulation was concurrent with the tabling of the Fiscal and Economic Statement announced by Finance minister Eves, as well as the first reading of Bill 26. They all occurred on the same day, and that was also a day when a large number of opposition members were in lockup being briefed.

So this government continues to take away rights. This will deny people the rights that they have under our Environmental Bill of Rights that we passed to lay claim to issues that affect the environment. Those rights are suspended by the Minister of Finance for 10 months. The commissioner has now issued a news release, which I think points further to the fact that you have every right to be outraged, and if we don't see something—

**The Chair:** Thank you, Mr Christopherson. We must move into the government's time. From the government caucus, Mr Stewart.

**Mr Stewart:** Just a couple of comments. First of all, on you suggesting that we're giving all the money to the rich in this tax cut, 80% of the people in this province make less than \$50,000. So I assume that you don't want any of your members to get any type of tax cut whatsoever.

What I'm concerned about is that it appears when I read this that you people, your group, would like the status quo. You want to continue with this uncontrolled spending, you want to continue with a high debt, you want to continue with a high deficit, you don't want to even consider ability to pay. It goes on and on. You want everything to be totally out of control, as it has been before, to pass on a legacy to your children and your grandchildren that they will never, ever get out of. Is that what you want? That you want no change whatsoever, that what has happened over the past has worked—is that what you're saying to us?

**Mr Poleck:** No. Our response to that—I want to talk about two points you made. The 50%, I believe you mentioned, of people who are getting the tax cuts: That tax cut, I would propose, is going to be used up in one day in user fees that your government has caused to be brought about.

**Mr Stewart:** No, I said 80% of people make less than \$50,000, who will all get a tax cut.

**Mr Poleck:** Then 80% will be affected by those user fees that are going to come about. The status quo is not what we're interested in. What we're interested in is a fair share of the pie, as unions tend to call it. Unions are made up of people. Unions are not there for the union. The union is a group of people banded together to further their own cause. Many people in Ontario belong to unions and it's for their betterment. They are Ontario citizens as well. They spend their money. They pay taxes. What they want is their share. They don't want to see the



province go down the drain. Their jobs are dependent on the province being alive too. We're all in this together. What we want is that each person, each group gets something out of this, that something comes back to them, that one group is not shut out.

**Mr Gerretsen:** You know, we've heard that 80% of the people make less than \$50,000.

**Mr Young:** It's 87%.

**The Chair:** Order.

**Mr Gerretsen:** I don't care whether it's 10% or 90%; it's totally irrelevant. People making \$25,000, under the Common Sense Revolution document itself, are going to get about \$400 back. If you make \$50,000, you're going to get about \$900 back. If you make \$100,000, you'll get about \$3,000 back. If you make \$150,000, you'll get about \$5,000 back. The more you make, the more you get back. So your percentages are way out of line.

My question to you, sir, and maybe you've already partly answered it, is, would you be prepared to give up the tax cut—which drives half of this stuff; without the tax cut, you wouldn't need half of the expenditure cuts that they're talking about—would you be willing to give that up in order to retain the kind of services that you have now at a much more reasonable level than we're going to have under the new system?

**Mr Poleck:** I have no problem with that and I would believe the majority of the union members would see the same. They're going to be hit no matter what.

**Mr Chochla:** I concur with that too. I mean, I work for a hospital sector union. I can tell you my members would gladly forgo that if it meant preserving health care services and jobs for hospital workers.

**Mr Gerretsen:** I think most of the people in Ontario would do that, because it doesn't make any frigging sense, if you're trying to cut \$10 billion out of the deficit that we currently have, to give \$5 billion of the revenues up as well in a tax cut, which means you're going to have to cut at least \$15 billion out in order to reach the goal of a no-deficit situation. I applaud you both on giving that kind of a presentation and that kind of a statement to that. I think you talk for most people in Ontario: No tax cut until we get the budget down to a zero deficit.

**The Chair:** I want to thank you, ladies and gentlemen, for coming forward this morning and making your presentation to the committee.

#### NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

**The Chair:** May I please have representatives from the Northwestern Ontario Municipal Association come forward. Good morning and welcome to the standing committee on general government. You will have half an hour this morning to make your presentation. You may wish to leave some time at the end of your presentation for questions. I'd appreciate if you'd introduce yourself at the beginning of your presentation for the benefit of Hansard and committee members.

**Mr Michael Power:** Good morning, ladies and gentlemen. On behalf of municipal governments across the great northwest, may I welcome you here to the city

of Thunder Bay, the largest centre in northwestern Ontario. It's a delight to see so many friends around the table from all parties today.

**Mr Gerretsen:** Oh, we'll find out about that.

**Mr Power:** My name is Michael Power. I'm the mayor of the town of Geraldton. I also have the honour of serving as president of the Northwestern Ontario Municipal Association, known as NOMA. There are 50 organized municipalities in northwestern Ontario and all are members of NOMA; thus we are truly the voice of municipal government in northwestern Ontario.

I thank you for the opportunity to discuss with you today, on behalf of my colleagues, issues which are of importance to municipalities across this region. You'll pardon me if I am parochial in my comments to the committee, but we feel that we should more appropriately discuss those matters of this bill which impact directly on municipal government in northwestern Ontario and not municipal government in other areas. I'm sure that there are eloquent spokesmen in other parts of the province who can bring the views of that sector to this committee.

**1200**

To ensure that this presentation would be truly representative, copies of schedules M and Q were sent to all members of NOMA in December, requesting input for this submission. As part of the submission, in appendix A you will find appended some of the concerns from individual municipalities as they were forwarded.

The result of our location, the distance from decision-making—decision-making not generally being made in northwestern Ontario on behalf of northwestern Ontario—and the high cost of transportation has led successive governments to recognize these differences and to share with us the cost of ensuring that the municipal voice of northwestern Ontario is both heard and part of the process. While this is not part of your mandate, certainly we in NOMA would appreciate any words that you can take forward from this committee on our behalf to ensure that NOMA is properly represented in the decision-making councils of the province. Your colleague the Minister of Municipal Affairs and Housing will be well aware of what I'm speaking of. We sincerely hope that as a part of the necessary expenditure cuts in Ontario the voice of the northwest will not be silenced.

Previous governments have also recognized the need to hear the voice of the northwest at the cabinet table. This helps to reinforce the message of the minister who is responsible for this area. It also ensures that issues specific to northwestern Ontario are on the table for discussion. NOMA looks forward to continuing the annual meeting with cabinet at a time and place of their convenience.

We're here to discuss Bill 26. On behalf of my colleagues, I'll focus our comments on schedules M and Q, which have the most significant impacts on municipalities. It's important, however, that we remember the context in which this legislation was introduced. For municipal governments, that context is lost revenue, to the tune of \$700 million, announced in the government's recent fiscal and economic statement.

The substantial loss of revenues did not come as a surprise to municipal government. Although the news of



\$700 million in reductions over two years was not welcomed, we understand what it means to be responsible fiscal managers and we know that the province appears to be determined to put its own house in order. That's the way municipal government has always managed. We've managed without deficits and we've always been accountable for what we spend, how we spend it and where it comes from. We're rather pleased to see that the government of Ontario is taking a leaf from the book of municipal government.

We're also pleased to see the commitment to a new partnership between our two levels of government—provincial and municipal. We think the intent of the amendments of Bill 26 is to enhance the strong and vital role of municipal governments in Ontario. Many of those amendments are in this bill because municipal governments over the years have asked for them. We have said that we require the tools to manage funding reductions in a way that will minimize service disruptions to the people we serve.

We're encouraged by this government's commitment to further reform legislation that impacts on municipal government. Municipal government is fully capable of making the decisions at the local level. Reduced provincial funding means the province cannot expect to have the same say in how programs are managed locally. They need to get out of the way. Let us deliver the programs and let us decide what is needed.

No one wants service reductions, no one wants increased taxes and nobody likes user fees. And strangely enough, no one wants to make any of the decisions that lead to these options. But at the municipal government level we're elected to make those decisions and we're accountable for those decisions. We've been asking the province for many years for the autonomy that goes hand in hand with ever-increasing responsibilities. Managing key services in our communities in a way that reflects local priorities, local innovation and local business—that is our business as local government.

As partners in government, municipalities are in the best position to determine the tools we need to manage more effectively and more efficiently. That's why NOMA has pressed the government for a number of reforms that will help municipal governments offset lost revenue from the province.

Restructuring in the municipal sector will be a major step forward for municipal government in Ontario. The proposed amendments in the Municipal Act point, as they should, to a locally driven process—and we stress “locally driven”—where municipalities come forward with locally endorsed proposals to streamline the organization and operations of municipal government.

The premise is a sound one and it's one that rejects the tired old adage that one size fits all. The diversity of communities across Ontario calls for locally driven solutions to municipal structural reform. Municipalities are prepared to provide better, more effective and less costly government.

NOMA is of the view that a locally driven process is what the government has in mind with these amendments. We suggest that this intention be made clearer, with an addition to section 25.3 indicating that the minister will

establish a commission for the development and implementation of a restructuring proposal only at the request of a municipality.

We recognize that not every municipality is willing to embrace change. Municipalities are made up of people, and people sometimes need a bit of time to have sober second thought and to think about the change that's being proposed, to decide whether they wish to opt in or they can come up with a better suggestion. Some municipalities will require support and encouragement, perhaps even mediation, in order to reconcile differences of approach and opinion. We as an association can live with ministerial prerogative to intervene, but that too should occur only at the request of those involved locally.

Currently, the amendments suggest that the minister will have the power to impose restructuring on municipal governments. We do not believe that this is in anyone's best interest, including the citizens most affected. We recommend very strongly that the wording of section 25.3 be changed to reflect the government's commitment to locally driven and locally initiated restructuring.

We believe that clause 25.3(7)(f) should be expanded to cover the costs involved with all voluntary restructuring initiatives. Further, should the provincial government believe it is in the provincial interest—whatever that may be—to establish a restructuring committee in a specific area, then the minister should be prepared to pay for all of the costs incurred. None of the municipalities should have to pay those costs.

The capacity to dissolve special-purpose bodies is a very important part of this bill. Special-purpose bodies have the authority to make decisions that have significant impacts on municipal resources. However, they do lack public accountability. Public accountability is integral to having authority. It is high time municipalities had the power to dissolve special-purpose bodies in favour of direct accountability for decisions governing public funds and services.

It really is a question of accountability. How tax dollars are spent, by whom and for what should be clearly and easily understood by residents of Ontario. It is also a question of sound financial management and planning. Municipalities are too often in the position of having the rules change halfway through the game. A different fiscal year from the province and factors like in-year savings targets make planning on the revenue side difficult enough. We need to be able to plan for the expenditure side with the certainty that comes with real authority over how we spend our own resources. Municipal councils, not special-purpose bodies, must have the authority and the accountability for how a municipal government spends taxpayers' dollars.

We understand that the government is considering regulations that will protect certain special-purpose bodies. The purpose of this legislation is to provide greater autonomy to municipal governments—not less. Regulations restricting our capacity to manage will counter that intention. We use library boards as an example. It's our belief as a municipal association that an exemption for library boards would be totally unacceptable and would seriously undermine the intent of this bill.



The idea put forth by some interests that municipal government is not accountable and does not either understand or take into account the needs of its citizens is false. We would no more spoil our environment than any other organization in this province or in this world. Municipal government is accountable to its citizens daily, weekly, monthly and at the ballot box every three years. Unless you happen to sit in provincial government for an area in Toronto or nearby and go home every day, you aren't as accountable every day as municipal politicians are.

Bill 26 sets out fairly broad provisions for user fees and for licensing. NOMA supports these provisions because they provide a potential alternative revenue source that is based on usage of services and, in some cases, linked to consumer choice. The scope of authority to levy user fees has been the subject of concern in some quarters. We in NOMA do not share these concerns.

The ability to charge user fees and to collect licensing fees that at least offset the cost of providing the licence is not seen by municipalities as a major potential inflow of revenue. These provisions will help us manage in the face of substantial and dramatic reductions in funding from the province. If we are to continue to meet provincial service priorities and local service priorities, we need to be able to pay our bills.

Municipal government have a strong vested interest in minimizing user fees to taxpayers, just as we have an interest in keeping a lid on tax increases. Electors will have short tolerance and long memories for any municipal government that uses these powers irresponsibly.

The issue of responsible management leads us to the Ontario Municipal Support Grants Act. Autonomy for expenditures funded under the act is substantial. We believe it is the intent of the legislation. Block funding, by definition, should come with no strings attached.

Section 3 of the act provides for regulations that can be used to create strings. We recognize that the province has a responsibility to set and monitor provincial standards and to monitor the performance of its transfer payment partners.

It's my understanding and that of my colleagues that the minister intends to set standards based on clearly articulated provincial priorities and develop performance indicators in consultation with NOMA, AMO and other key municipal parties. We believe our input is essential, but we do have concerns over the potential for excessive regulation over the longer term.

As more municipal funding is collapsed into municipal support grants in the future, there may be an inclination to restrict local decisions on how this money is spent. That would contravene the intention of the legislation, as we understand it. We would ask that this committee recommend that Ontario municipal support grants legislation clearly establish the autonomy of municipalities to manage funding in a manner that is consistent with local needs and priorities, mindful of clearly defined provincial interests.

1210

NOMA is encouraged by proposed amendments to the Conservation Authorities Act that restore greater decision-making authority to municipal councils. We are also in

favour of new provisions which limit the levying of costs against municipalities. We would suggest, however, that resolving disputes over charges made by conservation authorities would be greatly simplified if municipalities had the authority to approve the charges levied in the first place. For example, appealing decisions to MNR's Mining and Lands Commissioner, decisions that may have a direct impact on property taxes, does not make any sense and is not acceptable to us. We would recommend that the appeal mechanism in section 27 be dropped in favour of direct municipal authority over charges made by conservation authorities.

Under schedule Q, which has a direct impact on municipal government, amendments are set out to the Fire Services Act, the Police Services Act and the Hospital Labour Disputes Arbitration Act with respect to arbitration. Most importantly, the amendments require arbitrators to consider a municipality's ability to pay. We have requested an additional amendment that requires consideration of the ability to pay without additional costs to property taxpayers.

It makes no sense to talk about ability to pay on the one hand, if on the other hand you can say: "You do have the ability. Just go out and get it." We believe the two have to be hand in hand. If it truly is going to be that they have to reflect ability to pay, then it has to be without going back to the taxpayer for more at that particular moment.

We would also like to see an amendment respecting wage comparisons, that they be expanded to include comparisons to similar jobs in the private sector rather than in the broader public sector alone. We would ask that the employer's ability to attract and retain qualified employees replace the reference to an employer's need for qualified employees.

Interest arbitration issues have been long-standing between the province and municipal government. As employers, municipalities need permanent savings in place to compensate for the more than \$390 million cut from municipal transfers as a result of the social contract and the expenditure control plan. We need assurances that compensation issues can be negotiated, or at least resolved openly and fairly and with due consideration of the fiscal pressures facing municipal governments. Compensation awards through arbitration that give no consideration to our ability to pay are no longer acceptable.

NOMA urges the committee to recommend that the ability-to-pay provisions under schedule Q be revised to indicate:

- (1) That property taxes will not be raised as a result of arbitration awards.
- (2) That private sector comparisons are appropriate.
- (3) That management retains the right to attract and retain qualified employees as it sees fit.
- (4) That negotiated wage settlements in a municipality provide a ceiling for future awards.
- (5) That cabinet retains the right to alter and prescribe criteria for consideration and the issues which may or may not be sent to arbitration.

These are items—they're our items as well, Mr Chair and members of the committee—that are not included in Bill 26 but which are of great interest to municipal



government and which, in our opinion, require action by the government.

There needs to be greater control over police budgets by municipal government. The idea that municipal councillors would willy-nilly decimate police forces is a fiction. It is also a fiction that only police forces know what is needed and that the role of the civil authority is to salute and deliver all that is asked for in terms of financial means on bended knee.

The province has passed legislation removing successor rights to enable it to deal more effectively with its agenda. Municipal government requires the same tool. In a lot of instances the reason that municipal government is saddled with that obligation is because the provincial government led the way and it provided the example.

It is also crucial that supplementary assessment charges be ended.

One suggested amendment in Bill 26 is of great concern to municipal government. Subsection 25.2(13) is to be amended such that municipally elected officials who vote in favour of an act which has an adverse financial impact on another municipality are personally liable for the amount of the adverse impact. The proposed amendment provides that moneys may be recovered by a municipal elector of the municipality or a successor municipality.

NOMA is of the view that this is an unwarranted financial consequence for municipal politicians who exercise their responsibilities in good faith, and we ask that this amendment be deleted.

Municipal government in northwestern Ontario is obligated to be involved in activities beyond what is often considered the normal role of municipal government in some other parts of the province. We, for example, in municipal government are actively involved in the recruitment and retention of health professionals to our region.

We were recently delighted to see the media campaign in which the medical profession has expressed its undying love for northern Ontario and everything about the north, and we in northern communities look forward to the coming flood of health care professionals to our area. In the meantime, we have to share with you that we're highly supportive, as municipal government, of the initiative of government to ensure that there will be some health care professionals in northwestern Ontario.

Many of our members found it very difficult to attempt to deal with such a large volume of material in such a limited amount of time. From very many of my colleagues I did receive the comment that they found it difficult to digest it, to understand it and to provide input to us. They have had a long time to provide input and we certainly have, as municipal government, made representations to a series of governments of all political stripes around this table over the years.

But this particular bill with its complexity coming before municipal councils in December—and it got to them because we sent it to them—didn't really give them enough time. They would have preferred, and I bring this forward to you from our membership, an extra month to be able to become more acquainted and to provide a better response for me to provide to you today.

On behalf of the Northwestern Ontario Municipal Association, may I thank you and the members of your committee for coming to Thunder Bay to hear us. It would have been most difficult for us to have attended your hearings in the city of Toronto.

Attached you will find copies of correspondence from those member municipalities which were able in the time frame that they had to submit concrete suggestions to us.

1220

**The Chair:** Thank you. We have two minutes per caucus for questions, beginning with the government caucus.

**Mr Stewart:** Thank you, Mr Power, for your presentation. As you know, I've been a great supporter of municipal government for a long time. It's the closest to the people, it represents the people, and it will continue to do that. I believe that the municipalities in this province are ready to respond to the type of comments and to the type of things that are in this bill to allow you to look after your own municipalities, and certainly there is great diversification in this province.

The municipalities of this province wanted autonomy. AMO pushed it. All the municipalities wanted it. They wanted it over the years. They finally got it. They know they can create and be a strong and vital role in government of this province. There's no doubt about it. I believe that there should be locally driven solutions. I said earlier today, and I mean it, that Geraldton should be able to solve its problems and not have interference.

One of the things that is coming out today is that the minute this bill goes through and we give municipalities the controls that are in here, they are instantly going to start to raise taxes, they are instantly going to put in user fees and this province is going to hell in a hand-basket. How do you respond to that? I don't believe that will happen because the municipal councils of this province are as dedicated—in many cases more dedicated—than other levels of government are.

**Mr Power:** Mr Stewart, it's not my view that municipalities are going to holus-bolus raise taxes. They're going to have a very difficult time holding the line. I put it to you that 1996 is not the year when the crunch will hit, but 1997. At the current moment my council—I know this city that we're sitting in—and a number of other councils have brought their budgets down and there are no tax increases. User fees have always been in place in many municipalities for certain services. They will continue to be in place. You may see some increases. That's only justified because the costs of delivering the service go up, and that has been something that has gone on in the past.

I put it to you, from your experience in municipal government as a former warden of Peterborough county and a very long distinguished career there, sir, that municipal government is not going to do things which are not in the best interests of its citizens. Our citizens tell us every single day what they want to see and what they don't want to see, so we know.

**Mr Michlsh:** Michael, again, thank you for your presentation—always very straightforward; some excellent recommendations as well. I want to go back to the actual drafting of Bill 26, the bill that we're dealing with today.



We know—we've gone over it many times—how we ended up here in Thunder Bay today, and we're happy about that. I want to ask you, as representing such a large geographical area of Ontario, were you, or do you know of anybody who was, consulted in the actual drafting of this legislation?

**Mr Power:** Certainly I would have to say to you that we as municipal authorities were consulted about things we would like to see as changes. We never did see a draft of the bill.

**Mr Gerretsen:** Michael, it's always nice to see a former municipal politician that I spent so many happy years at AMO with. You're very consistent, AMO is very consistent. Just very quickly, though, the problem has been that when the chambers of commerce come in front of us, they say, "We don't want any taxes. We don't want any fees," or "We want you to put the lid on at the province." The province then comes back and says, "We didn't mean head taxes," and the mayor of Mississauga, when she talks about tax gases, "We really didn't want any gasoline taxes" etc. It is your position, is it not, that the municipalities—

**Mr Power:** Mississauga and northwestern Ontario have nothing in common.

**Mr Gerretsen:** No, but I'm talking about you wanting all the powers to tax in all these different areas because there may be a possibility somewhere down the line, when the province cuts you back even more, that you may need these powers. That's what it's all about, as long as the people out there understand that you want the powers. You're not going to do it and others aren't going to do it until it's absolutely necessary somewhere down the line to actually utilize some of these powers. Is that not the AMO position?

**Mr Power:** The AMO position, sir, as you well know, is that municipal government is a responsible level of government, that we can work in partnership with the province and, on many of the things that have been stated, these hypothetical poll taxes are figments of the imagination of people from God knows where. They are not part of the reality of northwestern Ontario.

**Mr Gerretsen:** They may be elsewhere.

**Mr Pouliot:** Thank you kindly, Michael. As always, a renewed pleasure for what is—well, we've become accustomed over the years to a well-prepared and a well-presented, most articulated brief.

With respect, Michael, as a friend and a colleague, Mississauga and northern Ontario have some common ground. They have things in common. They have a doctors problem, for instance. Mississauga has too many and we don't have any. And I could go on and on.

There is a Spanish proverb, and in the literal translation, roughly translated, if you wish, it says, "Don't offer advice, give me money."

I listened intently to your brief, and I too echo the sentiment, having been at the municipal level for a number of years and shared the same table, the same panels, numerous times, both in terms of northwestern Ontario and Thunder Bay municipally.

You see, Michael, with this phenomenon—the feds are sending less money to the province, the province is sending less money to the municipality—I'm trying to

draw a simple analogy with some validity, a parallel that means something, the following analogue: You give \$7 to little Harry and you say to Harry, "Here's \$5 to go to the cinema, \$1 for the popcorn and \$1 for the coke." But now the provincial government is telling Harry, through you: "Here's \$4. You can do what you wish, Harry. You don't have to go to the cinema, you don't have to buy popcorn, or you can buy four popcorns, but you're only getting four bucks."

Your brief tells us that. It says, "Give me, give me; give me the capacity, more jurisdiction." But given the diversity, some people have the capacity to do nothing, because there's not much they can tax in their municipality. User fees are not the order of the day because you're going to deter people. They depend on government transfers. They depend on their money coming in to provide essential services.

What's your feeling about the ability in terms of gas taxes? There's only you and I here. The people in Geraldton will not know. Would you, under dire needs, consider taxes like gas taxes? You know, people go to the pump, and heaven knows we pay, but a few cents more per litre for your community? What about head tax?

**Mr Power:** Would you like to buy a bridge? I have one.

**Mr Pouliot:** Yes, yes, yes.

**Interjection:** You bought it.

**Mr Pouliot:** Michael tried to buy the same bridge twice before.

Michael, one final question here. You're asking for more time, because there's so much to say, yet so little time. The people across here, these people here, were dragged into this. You don't have to say, the screaming and kicking. They didn't want to be in Thunder Bay.

**The Chair:** Mr Pouliot, we're running short of your time. Please put your question quickly.

**Mr Pouliot:** How confident are you in the next two fiscal years that the majority membership, the majority of the municipalities that you represent, will not raise taxes? Roll the dice, Michael.

**Mr Power:** I'm not a gambler, as you know, Gilles. Death is certain, that we know, at some point in time, and at some point in the future it's probably fairly certain you will see in some areas of this province tax increases. I would say to you that in northwestern Ontario, from what I'm hearing from my membership, you are not going to see large tax increases, and what you're seeing is a greater consultation with the people in all the communities over what they would like to see done and if they would like to have some services reduced or delivered in a different manner.

**The Chair:** I'm sorry, Mr Pouliot, we're out of time. Thank you, Mr Power, for coming forward and making your presentation today.

Before we break for lunch, we have a point of privilege, briefly, Mr Gravelle.

**Mr Gravelle:** I just wanted to read into the official record that there are three more groups who've given me copies of their presentations that they wish to make publicly but are unable to do so, so they gave me their written presentations and I'll present them to the clerk. They are the Thunder Bay elementary unit of the Ontario



English Catholic Teachers' Association; the second is the Ontario Public School Teachers' Federation, Thunder Bay district; and officially the Thunder Bay Professional Fire Fighters Association as well. I wanted to get that on the record.

1230

**Interjection:** Point of order?

**The Chair:** Mr Sampson has already asked for a point of privilege.

**Mr Sampson:** I'm just replying to a point of privilege that was raised earlier this morning with respect to some amendments that were tabled, or alleged to have been tabled, in Kitchener. I was able to confirm that on the health committee, the government side did table some amendments this morning. I would not normally have been aware of it since we are not involved in the health aspects here. I believe they're the same ones that were passed to me by Mr Phillips, but I haven't confirmed that they're the exact amendments. But I'm aware that some amendments have indeed been tabled that, in their view, reflected some level of consistency of the comments that they've been getting, I gather, on their tour.

I can confirm that no non-health items were dealt with, as they wouldn't have been, and I can say that we have been obviously listening, as the government side. As you go through these things, you start to sense where the general directions are and where the consensus of proposed amendments may be heading. We've been having discussions, as anyone would normally have expected us on the government side to do, and we'll bring forward amendments, as they relate to the non-health items, to this committee when we're comfortable that they are properly scoped out and reflect what we've heard without frankly prejudicing those who have yet to speak to us.

Mr Chairman, I just wanted to reply to that point of privilege that was raised by Mr Phillips.

**The Chair:** Mr Christopherson and then Mr Phillips.

**Mr Christopherson:** I want to lodge a protest in the strongest possible terms on behalf of our caucus. I accept the fact that Mr Sampson personally did not mislead us, but that's not the issue. The fact of the matter is that you're the government, and you're supposed to know what you're doing. You went on at great length, and we can read the Hansard back later, to explain why there was not a need on the part of the government to present amendments. Now you're reversing yourself, coming up with a lame excuse as to why it's okay for the health committee—

**Mr David Turnbull (York Mills):** No.

**Mr Christopherson:** No, don't wave it off, Mr Turnbull. The fact of the matter is that you're treating two different committees differently, and right now the people who are in Kitchener making submissions have an advantage over the people in northern Ontario, here in Thunder Bay, because they don't know what your intent is.

You didn't know what was happening this morning. You're still not prepared to table the amendments. We have felt strongly about this from the beginning, and so have the Liberals, and we continue to protest, and I want it formally acknowledged that we protest this type of discriminatory behaviour in terms of the treatment of two

different committees. And on a personal level, I suggest that you get your act together.

**Mr Gerretsen:** Turnbull is a senior member of this government.

**The Chair:** Mr Phillips, please.

**Mr Phillips:** I'm sure the public in Thunder Bay sometimes wonder about the whole process, but I think you may now have an idea of what we're dealing with. The government, five minutes into the hearings, said it had amendments. The minister said he was bringing forward two amendments. As a matter of fact, we asked that morning, "All right, table the amendments." We now are several weeks later, they refuse to table any amendments, and now we have the embarrassment of the government saying, at 9 o'clock, "We're not tabling any amendments till all the hearings have taken place, till we hear from everybody," and 15 minutes later, 1,000 kilometres away, the government begins to table amendments.

We're being played like a yo-yo. The opposition is and the public is, and you'll only see what they want you to see. I will say once again to organizations like the chamber, like the fire organizations here, like the poverty groups that we heard from, like the union groups that we've been hearing from, like the board of education that made a presentation today, and the municipalities in northwestern Ontario, we've got a government that is so arrogant, so sure that they know what is best, they keep saying to us: "We won on June 8. That was all the consultation we need"—

**Mr Young:** No one said that.

**Mr Phillips:** Yes, indeed.

**Mr Gerretsen:** You've been saying that in the House a number of times.

**The Chair:** Mr Phillips has the floor.

**Mr Phillips:** Now he says, "No one said that." The Premier in the House has said it. He said: "The consultation took place on June 8, and we'll consult eight years or we'll consult five years from now again." You can understand, I think, the anger that we feel, that we're told one thing out of one side of the mouth and then something else comes out of the other side of the government's mouth.

The motion that my colleague Mr Christopherson moved this morning is very much in order. He moved the exact request, that the government now table its amendments, that 15 minutes later, as I say, 1,000 kilometres away from here, 1,500 kilometres, the government began to do.

I think you owe it to the people of Thunder Bay to start to table those amendments, right now, because they're done. They're in somebody's briefcase over there, I guarantee you, if we could look in the briefcases. The amendments have been to cabinet; they've been passed. They're in Mr Turnbull's briefcase. They've probably been discussed with those members across, but the public won't see them. You'll see them perhaps at 9 o'clock on Monday morning when the train runs through the Legislature.

**The Chair:** Thank you, Mr Phillips. The committee will now recess until 1:05.

*The subcommittee recessed from 1236 to 1318.*



## SOUTH NEEBING COMMUNITY ORGANIZATION

**The Chair:** I believe we have representatives from the South Neebing Community Organization before us; Mr Greg Laws. Mr Laws, you have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain questions from the three caucuses. I assure you, they will be along right away. I'd appreciate it if you'd take some time at the beginning of your presentation to, for the benefit of Hansard and committee members, introduce yourself and repronounce the organization that you represent.

**Mr Greg Laws:** My name is Greg Laws, and I am the chair of the South Neebing Community Organization. The South Neebing Community Organization is pleased to present its comments on Bill 26. It is unfortunate that the community centres, as well as arenas, parks and homes for the aged, will be negatively impacted by the new user fees which may come as a result of Bill 26. These fees, brought in by municipalities taking advantage of their new powers, will also restrict access to recreation to those who can afford it. It is also unfortunate that this committee will be unable to talk with the many users of these facilities.

Thus, while commenting on Bill 26, we believe it is important to acquaint you with some of those many users of our and other Thunder Bay community recreation facilities. Our slide show will present you with a variety of images of users, volunteers and others who help make community recreation a reality. Bill 26 is much more than "An Act to achieve Fiscal Savings" etc; it is an all-out attack on the quality of life enjoyed by all people in Ontario.

With that, I'll start at the slide projector.

The South Neebing Community Centre has existed for many years. The building in its current form was opened in June, 1966. That's it right there. Prior to that, another building nearby had served the community in a similar way. Through many expansions, renovations and upgradings since 1966, the South Neebing Community Centre has survived from generation to generation on the strong support of local volunteers. The South Neebing Community Organization administers the use of the community centre and nearby grounds and participates as well in the Thunder Bay Community Centre Council.

Today, the South Neebing Community Centre serves an ever-expanding client base. It is rented out for a variety of special events and provides a base of operations for one of the many teen outreach programs in the city. There is nothing unique really about the South Neebing Community Centre; it is very similar to the 13 other community centres in Thunder Bay.

Of most concern to the South Neebing Community Organization is that with the changes proposed in Bill 26, municipalities are likely to begin to charge new user fees for access to community centres and other facilities that we already pay for in property taxes.

Community centres are not likely to be the only facilities affected by public sector restructuring. Hospitals, public utilities such as Thunder Bay Hydro or Thunder Bay Telephone, and even whole municipalities can and

may be restructured using the powers of Bill 26. This from a political party that had promised us less government.

Our comments today do go beyond schedule M of Bill 26, which amends 13 statutes related to municipalities. Clearly, many of the schedules or sections of the bill will have a negative impact of the sense of community and quality of life in Ontario.

A sense of community and appreciation for Ontario's quality of life is sadly lacking in Bill 26. The bill attempts to reduce us all to numbers—cuts to services, cuts to staff, and cuts to other numbers, so that we all forget the faces behind these dramatic changes.

Well, we're here to remind you that the numbers have faces and names and families.

Community: a place of "joint participation, sharing or ownership," according to one's dictionary. Bill 26 will reduce or negate our ability to participate in, share opinions on or take ownership of decisions made in our municipalities.

For example, this government has talked a lot about the value of referenda in deciding where or whether casinos are built. Yet, Bill 26 removes provisions for referenda by municipalities on the privatization of hydro-electric utilities, water systems and sewage treatment.

To help others understand Bill 26, I think everyone needs to know some of the underlying ideology on which it appears to be based. This ideology can perhaps be summarized by, but is not limited to, the following three false assumptions:

- (1) Debt is bad.
- (2) Governments are bad.
- (3) Special interest groups are bad.

Each of these false assumptions also contains its own contradictions.

False assumption 1: Debt is bad. If this is true, why is the government cutting \$6 billion out of our spending and then turning around and giving perhaps \$6 billion, some estimates have \$10 billion, in income tax cuts?

The Toronto Star calculated that the \$6-billion tax cut proposed would mean approximately \$1,150 in new charges per taxpayer. Thus, there will be no benefits from a tax cut to those earning approximately \$40,000 a year or less. In fact, these people can expect to pay more in new fees than the value of the tax cut. People with incomes of \$70,000 or above begin to see net savings of \$1,620 or more per year. What this might pay for is anyone's guess. Perhaps a membership at the country club of their choice.

Furthermore, if debt is bad for a province, why is it good for a province to download its services and expenses to those municipal partners? This in turn just causes municipalities to either cut back their services offered, reduce capital spending and possibly increase their municipal debt load, or turn around and dig deeper for revenues in the form of user fees, property taxes etc, which in turn takes money out of our pockets and might increase our personal debt load.

The final example: Lastly, why do major multinational corporations carry long-term debt? For example, in 1995, Inco carried \$9.22 billion in long-term debt and Bell Canada had \$11.734 billion in debt. If successful com-



panies such as these can manage their debt loads on a long-term basis, surely a government with a multitude of experts should be able to do so, especially if communities and quality of life are at stake.

The second false assumption was that governments in general are bad for people. The Mike Harris government has already announced grant reductions to municipalities in the order of 50%. In Bill 26, it also wants to grant the ministers more power to restructure municipalities without legislative change or public input. One hand seems to want to pass the buck and the other hand wants to take control. We have to ask, why aren't communities and citizens recognized as important contributors to the job of governing? Why is a sleep-over at Queen's Park required to get the minimal amount of time that we have today for public input on Bill 26? In some cases, it appears this assumption may be true after all.

False assumption number 3 is that special interest groups are bad. Yet if this is true, why does the Mike Harris government seem so enamoured with the chamber of commerce view and the Empire Club in Toronto? Why is it that the economic élites are the ones to benefit most from the proposed tax cuts? How can cuts of 22% to welfare cheques be justified in the face of changes proposed in Bill 26?

Any government which fails to consult the people most affected by its proposals is morally bankrupt. Bill 26 hearings would not have been possible without the combined efforts of our two opposition parties. Yet what have we really gained in this process? Some constructive criticisms, maybe a few new ideas, maybe some slightly biased opinions, but has respect for the electorate been fostered? Has the Mike Harris government really been listening?

The unlikelihood that this government is listening makes Bill 26 a very scary piece of legislation. It means that communities are up for grabs and our quality of life in Ontario is optional. It also means reduced access to services, joblessness and poverty which will continue or increase, increased or new user fees for municipal services, concentration of power into the hands of provincial ministers, increased uncertainty, lower consumer spending and so much more, as has been presented to you by many other groups.

If we were to list our recommendations individually, it would imply that they could be counted, and there are probably other sections of the bill that should concern us that we haven't learned about yet. However, in a general, omnibus sense, the thrust of our presentation has been to ask only one question and to try to answer it:

Is the forsaking of communities and the quality of life worth the savings to be extracted in Bill 26?

Our answer is a resounding no.

I'd like to thank the committee for the opportunity to present this presentation and the city of Thunder Bay, the recreation division, for its help with the slides. I believe there are a few more to go and perhaps we can wait till that's over and then I'd be happy to answer any questions.

1330

*Slide presentation.*

**The Chair:** Thank you, Mr Laws. We have four minutes per caucus for questions.

**Mr Gravelle:** Thanks very much, Greg, for your presentation. You made some really good points and I'm certainly grateful that you made the link that probably needs to be made more often: that ultimately in terms of the tax cut, one of the measures in Bill 26 is going to force user fees upon people, which is in essence down-loading on municipalities.

It's particularly good to have someone representing a community centre such as yours, because probably not often enough do we hear from people who are literally on the ground, so to speak. That's one of the questions I want to ask you. The people served at the community centre, I'm sure, haven't had a chance, many of them, to look at the bill in any great depth. That's been one of our concerns with the short time frame. At what point do the potential user fees on the services you provide have an impact where you're no longer able to be the centre people expect? Tell us something about the clientele you serve, if you would, and who they are in south Neebing area.

**Mr Laws:** The community centre now serves an area which is the southwest corner of the city of Thunder Bay, approximately 2,500 households, perhaps 5,000 to 6,000 people. A lot of new and younger families are moving to that area. There continues to be a higher number of new homes going in there, a whole new subdivision going in in several different places and a new school as well, so it's growing again.

The problems we face as a community centre—it's an older building, as I mentioned, 1966. It seems like the people moving out to that area maintain their connections in a lot of cases to the inner city area and they come in and bring their children, so we don't always get as much use as we could out of our community centre. It's probably underutilized at this point.

**Mr Gravelle:** Obviously, you won't be able to fully utilize it if the situation occurs where you've got to increase the cost to keep it going, let alone capital improvements, which I presume are way down the line.

**Mr Laws:** Yes. I will be making a capital request for the community centre next year, to the community centre council, to do some upgrading. But this fall, prior to the city's budget discussions, there were at least three aldermen who expressed an interest in making community centres pay for all their utilities. That's something we don't do right now. We don't pay for our heat and light. If that came to pass in the 1997 budget for the city of Thunder Bay, we would probably be forced to close the doors right then. Some of the community centres could perhaps pay their own way for heat and light. Some of the larger centres have catering out of their community centre and in that way they may be able to function, but we don't have that luxury.

**Mr Phillips:** I have a short question along the lines of what my colleague just talked about in the fees. The government has struck a deal with the municipalities. They cut their transfer payments, then they said, "In return for that, we'll give you the right to impose"—it's called unlimited flexibility. They have to do it somewhere and they will do it somewhere. One mayor said it's his intention to put a user fee on library use, to increase user fees on skating rinks, on recreational facilities. Then he



went on to say, "Don't worry, we'll find corporate sponsors for underprivileged children to use the library, to use our recreation centres." The minister, Mr Leach, said he's very supportive of that.

I'd like to get an opinion from somebody like you who deals with young people on a consistent basis. What kind of community are we heading towards if a young person whose family does not have resources has got to find a corporate sponsor in order to use a library? What kind of Ontario do you think we're heading towards?

**Mr Laws:** Certainly not the one I grew up in. It's a tough sell. Corporations should have some responsibility to their community. But when we were faced with the budget cuts in the city of Thunder Bay, for example, we advertised in our last newsletter that perhaps corporations or local companies would like to take on and sponsor the production of our community newsletter which comes out once a month. We had one response. If that's the level of interest of companies and corporations, we're in real trouble. Community centres will be optional, will be available for people who are able to pay that new fee.

**Mr Hampton:** I want to ask some questions that in one sense come out of the questions just asked. Thunder Bay, as a city, has gone through some ups and downs. You had a pulp mill close here. The harbour and the grain operations don't employ as many people as they used to and don't employ them as long-term as they used to. Looking ahead, say, four or five years and looking back over the last 10 years, do you think the need for the kinds of community services and supports your community centre has provided is going to go down or up?

**Mr Laws:** Certainly, the need is there. Again, south Neebing is an isolated part of the city; it's a fair ways out of town and it can take 20 minutes to drive to the centre of the city. The biggest area of concern is the teen population. Vandalism has increased, and other things are happening that just indicate they have nowhere else to go. There is no mall out there for them to hang out in. There are no other options in terms of recreation. The new school is being built almost directly across from the community centre, but that's not going to be a hangout either. They tend to congregate in that area, yet there's not the programming available for them.

1340

You mentioned commercial assessment as well, and I just wanted to touch on that. The city of Thunder Bay's commercial assessment is down approximately \$8 million from 1993. This continues to put pressure on the property taxpayers, that to pay for the same level of service, more money's going to have to come out of property taxes.

**Mr Hampton:** If the kind of community centre you have can't operate in this new fiscal reality the government wants to create in the province, what do you think happens to those kids? What happens to the people who rely on that community centre?

**Mr Laws:** They end up being ignored, and they will not necessarily turn their attention to constructive use. They may be motivated to do other things along the lines of vandalism. We had one incident this summer, supposedly something like a swarming incident, involving a number of youths. Simply put, time on their hands is going to be a problem. We need to program more at our

community centre and we need to make it more accessible to those people. At the same time, we're looking at a city council that perhaps is saying to us, "You're going to have to pay your own heat and light as well." That makes it very difficult for us.

**Mr Young:** There are a couple of statements in your presentation that I agree with; I don't agree with your conclusions. But a couple of points are very important to look at. You say that Bill 26 means: "reduced access to services; joblessness and poverty will continue to increase; increased or new user fees for municipal services; increased uncertainty; lower consumer spending." If we don't get our debt under control, which now takes 17 cents of every dollar of revenue in the province, that's what is going to drive all those things, that's what's going to make all those things happen. And that's what Bill 26 is designed to do: help get our debt under control.

You say debt is not bad. There are times when governments borrow money for infrastructure when they absolutely have to, and if they have a way and a will to pay it back, I understand that, but governments have not been particularly good at doing that. When you hit 17 cents of government revenues to pay just in interest, debt becomes very bad.

You ask the question, why is the government cutting \$6 billion out of spending for revenue? The government's not cutting the money out of the economy. The money stays in the economy, but it goes into the consumers' hands and the workers' hands. The 87% of the population who make under \$50,000 a year will get more money. That money will stay in our economy—it's not as if it flies away—and that will be the largest job creation program in the history of Ontario. Do you have any comments on that?

**Mr Laws:** It stays in their hands up until the point that a municipality or other body is forced to charge them for some other recreational activity or charge them for membership in their community centre etc. That will go back into the economy, sure enough, but will it generate any new jobs? I don't see that working. The community centre, in our case, is mostly volunteer-based. We're not going to go out and hire new staff based on any tax cuts.

**Mr Young:** Do you understand that Bill 26 is designed to let municipalities downsize or contract out or amalgamate or do whatever they have to do to reduce the operating cost of government so they don't increase taxes and create new user fees? That's what it's designed to do and what we believe it will do.

**Mr Laws:** I understand that. We're also, in one way, fortunate in Thunder Bay in that the municipal phone company is still municipally owned. That's what really saved us this year in terms of property taxes, because \$3.5 million of profit from that municipal phone company is going to go back into the city's portion of its shortfall and is going to cover that shortfall. It means the property taxes for 1996 will stay at roughly zero assessment. But I don't think a lot of other cities have that ability to dodge the bullet.

**Mr Young:** Another comment you made here is, "Why is it good for a province to download its services and expenses to its municipal partners?" With respect to the previous government and the previous Liberal govern-



ment, that is exactly how we got into this mess. They handed down to their funding partners, without giving them money to pay for it, junior kindergarten, heritage language classes, court security, higher general welfare payments, the employer health tax, the commercial concentration tax. This is how we got into this mess in the first place. We are saying we can't afford certain things any more. We're giving the municipalities tools to do the same thing we're doing and lead by example. That's how we can preserve the services to your client.

**The Chair:** Mr Young, you're going to have to leave that statement as a statement because we've run out of time. I want to thank you, Mr Laws, for coming forward today and making your presentation to the committee.

#### TOWNSHIP OF RED LAKE

**The Chair:** Would Pat Sayeau please come forward. Good afternoon, Mr Sayeau, and thank you for coming today to appear before our committee. You have a half-hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd introduce yourself and your organization at the beginning of your presentation for the benefit of committee members and Hansard.

**Mr Patrick Sayeau:** Thank you, Mr Chairman and members of the panel. My name is Patrick Sayeau. I'm a municipal councillor on the township of Red Lake council and actually I'm appearing here today as a representative of my colleagues on the township council. The brief that you have in front of you has been signed by all of them.

Thank you for the opportunity to appear here to make a few brief comments on behalf of myself and my colleagues on the council of the corporation of the township of Red Lake.

I would also like to say, just before beginning, that Red Lake is about 500 miles from Geraldton, and Michael Power and I did not speak to each other, coincidental as it may seem, while our briefs or presentations were being prepared. As I listened to Michael's brief, I thought that he was reading some parts of mine, but I suppose that stands to reason because the township of Red Lake is a member of NOMA, the Northwestern Ontario Municipal Association, and also a member of AMO, and in some ways we're both reinforcing the voice of our umbrella organizations.

During the last few years it has become blatantly obvious that the public mood will not tolerate further increases. Of the three levels of government—federal, provincial, municipal—the elected municipal councillors live closest to the electorate. We do business, socialize and interchange on a daily basis. The message is clear: No more taxes. And the public is right. I don't believe that we have a revenue problem in our municipalities, we have a spending problem.

The township of Red Lake has addressed its municipal spending problem. In the last six years we have delivered four years with zero tax increases, followed by two consecutive years of 5% reductions in municipal taxes.

We are pleased to see that the province of Ontario is starting to address the provincial spending problem. Bill 26 is central to that process.

The province of Ontario spends \$1 million per hour more than it receives in revenue. The consolidated provincial debt is approaching \$100 billion. The province is spending close to \$9 billion per year just on interest costs to service the debt. Clearly, the provincial spending problem must be addressed with haste and without delay. With numbers like those mentioned, every day counts and every hour costs an extra \$1 million.

This bill, Bill 26, was presented for passage on November 29, 1995. The hearings on the bill began on December 18, 1995. It will not come back before the Legislature until January 29, 1996. At 24 hours a day, 43 days taken for these hearings, the government of Ontario has committed and will spend an additional \$1.032 billion in uncontrolled provincial spending in addition to the actual cost of the hearings. That's not to say, of course, that the people shouldn't be heard. That's not the point that I'm trying to make.

Clearly, the rate of provincial expenditure must be controlled. Our comments will address briefly a few of the measures outlined in Bill 26 to control expenditures by restructuring government activities.

It is not unexpected that municipalities will receive a reduction of some \$700 million in provincial support over two years. However, we still believe that Bill 26 represents the provincial response which will enable the township of Red Lake and other municipalities to deal with and react to provincial funding reductions without increases in municipal taxes.

#### 1350

A few comments on schedule M: Restructuring of municipalities with the ability to combine townships and add adjoining unorganized areas to the new structure without the cost and expense of the present annexation system is welcomed.

Changes to the Municipal Act: New section 25.2 provides the mechanism of a ministerial order in response to a local proposal to restructure which has the prescribed degree of local support. This prescribed degree of local support will be established by regulations. This section clearly provides the means by which municipalities may restructure voluntarily, based on a prescribed degree of local support, without the present expense and delay of OMB hearings, often initiated by small minorities. One can never expect 100% support for structural changes, and no doubt the prescribed degree of local support required by the regulations will recognize this impossibility.

Other changes to the Municipal Act: New section 25.3 also provides a mechanism whereby a commission may be appointed to initiate and facilitate a restructuring process of municipalities. Section 25.3 is an important supportive mechanism for municipal restructuring. In our situation, the township of Red Lake, we have suggested, hinted at and even proposed some restructuring with other municipal jurisdictions and the adjoining unorganized area within the local planning area. However, when minority groups and vested interests threaten Ontario Municipal Board hearings, local elected municipal officials, such as myself, who have businesses to run in



the community, have little stomach for a prolonged, expensive and little understood process with only a 50% chance of a win result.

The support of the provincial partner in recognizing the need and providing an efficient mechanism for structural change in some geographical areas is required.

The Ontario municipal support grant: The township of Red Lake endorses the comments of AMO regarding the new Ontario Municipal Support Grants Act. Autonomy for expenditures funded under the act is substantial. We believe that is the intent of the legislation. Block funding, by definition, should come with no strings attached.

Section 3 of the act provides for regulations that can be used to create strings. We recognize that the province has a responsibility to set and monitor provincial standards and to monitor the performance of its transfer payment partners. We understand that the minister intends to set standards based on clearly articulated provincial priorities and to develop performance indicators in consultation with AMO and other key municipal parties. We believe AMO input is essential, but we have some concerns over the potential for excessive regulation over the longer term.

As more municipal funding is collapsed into municipal support grants in the future, there may be an inclination to restrict local decisions on how this money is spent. That would contravene the intent of the legislation as we understand it. We support the AMO recommendation that the Ontario municipal support grants legislation clearly establish the autonomy of municipalities to manage funding in a manner that is consistent with local needs and priorities, mindful of clearly defined provincial interests.

Schedule Q: Schedule Q of the bill sets out amendments to the Fire Departments Act, the Hospital Labour Disputes Arbitration Act, the Police Services Act, the Public Service Act, and the School Boards and Teachers Collective Negotiations Act with respect to arbitration. Most important, the amendments require arbitrators for these acts to consider a municipality's ability to pay in light of its fiscal situation.

We endorse the position of the Association of Municipalities of Ontario in recommending that this section be clarified and strengthened by requiring consideration of the ability to pay without additional cost to property taxpayers.

Recent arbitration results, such as the District of Kenora Home for the Aged, Pinecrest, also suggest that serious consideration should be given to making this section of the act retroactive.

On November 28, an arbitration award was given in an arbitration between the Canadian Union of Public Employees and the Kenora district home for the aged, Pinecrest. Among other things, the arbitration awarded a wage increase of \$2.36 per hour on all classifications, or, in other words, an average 18% in wages over the four years covered by the award. The retroactive portion of the award is approximately \$1.8 million. The yearly operational cost is estimated to exceed \$600,000, or 10% of the present operational budget at Pinecrest.

To pay the retroactive portion of the award will require the complete expenditure of a capital fund that the

municipalities have built up over the last eight to 10 years to fund renovations at the Pinecrest Home. Funding the ongoing yearly costs would mean an 84% increase in the amounts taken from the municipalities if the full impact of this increase were passed on. Pinecrest is currently struggling to cut 10% to 12% from its budget to avoid this result, a process that will result, at the very least, in significant job loss and, at worst, will drive the level of service to the residents to an all-time low.

In this province, there are three sources of funding of homes for the aged: the Ministry of Health, the municipalities and the residents themselves. There is a legislative cap on funding from both the Ministry of Health and the residents, leaving the municipalities as the only funding source for any increases in costs such as an arbitration award. In addition to this, the Ministry of Health is considering a reduction in its contribution to homes that are red-circled. The Kenora district home for the aged, supported by 13 municipalities, my municipality of Red Lake among them, is under serious funding pressure and it would not be overstating the situation to say that the recent arbitration award, in combination with reduced Ministry of Health funding, puts Pinecrest's future in jeopardy. Pinecrest is not the only home facing this dilemma.

Schedule Q of Bill 26 lays out some issues that arbitrators must consider when handing down their awards. We applaud those particularly as they apply to an employer's ability to pay, and we truly wish that they had been in place prior to the award just described. We recommend that the government consider a retroactive clause to encompass awards made since the intent and extent of the government's economic program was delivered to municipalities at the AMO conference in August 1995. The message was clear at that time.

The township of Red Lake is not in any position to absorb any increases in levies from homes for the aged, no matter what the reason for the increased levy. Additionally, we recognize that AMO has requested that an amendment respecting wage comparisons be expanded to include comparison to similar jobs in the private sector, rather than in the broader public sector alone.

We have also asked that the employer's "ability to attract and retain qualified employees" replace the reference to an employer's "need" for qualified employees. Collective bargaining and any resulting arbitration that we at the municipality of Red Lake deal with is not specifically covered under any of the acts named in schedule Q, but I think I've demonstrated how we've become the recipients of the result. Therefore, we strongly support AMO's recommendation to add an amendment that gives cabinet the ability to implement regulations for additional criteria that an arbitration board must consider.

These interest arbitration issues have been longstanding between the province and municipal governments. AMO has worked very hard to keep these issues on the provincial-municipal agenda. As employers, municipalities need permanent savings in place to compensate for the more than \$390 million cut through municipal transfers as a result of the social contract and the expenditure control plan. The township of Red Lake needs assurances that compensation issues can be negoti-



ated, or at least resolved openly and fairly, with due consideration to the fiscal pressures facing municipal governments. Compensation awards through arbitration that give no consideration to ability to pay are no longer acceptable.

**1400**

The township of Red Lake supports the AMO recommendation that the ability-to-pay provisions under schedule Q be revised to indicate: that property taxes will not be raised as a result of arbitration awards; that private sector comparisons are appropriate; that management retains the right to attract and retain qualified employees as it sees fit; that negotiated wage settlements in a municipality provide a ceiling for future awards; and that cabinet retains the right to alter and prescribe criteria for consideration and the issues which may or may not be sent to arbitration.

There are other sections of Bill 26 that are important to the township of Red Lake in other ways.

Schedule H, amendments to the Health Insurance Act and the Health Care Accessibility Act: This section of the bill provides the tools to manage the supply and distribution of physicians in order to ensure physicians are practising where they are needed, and improve access to medical services.

The Red Lake area has been in need of a sixth physician for over a year. Additionally, the only surgeon has announced his intention to retire in a matter of months. The retirement of the surgeon will leave 6,000 to 7,000 area residents without local access to basic medical services enjoyed in other areas of the province.

In the meantime, the basic skills required to serve our residents are becoming more and more concentrated in the large urban areas of the province. Hospital operating rooms are expensive to develop, equip and staff. In some areas of the province they are overbooked weeks in advance, while in Red Lake hospital the same expensive facility may sit unused for lack of a surgeon's skills.

Schedule H will provide a mechanism to ensure physicians, trained at public expense, are practising where they are needed, in Red Lake and other remote rural areas of the province.

This schedule also provides the government with the ability to pay for physicians' services based on factors such as geographic area as further enticement for improving access to medical services.

We approve and endorse the intent of schedule H as we believe the potential exists to address the continuing problem of recruiting physicians for northern areas.

Finally, schedule N, Amendments to Certain Acts Administered by the Ministry of Natural Resources: Implementation of this schedule will reduce the number and type of activities for which land use permits issued by the Ministry of Natural Resources are required.

At the present time, the public works superintendent of the township of Red Lake must apply and wait for a land use permit from the MNR before beginning work to thaw a frozen culvert or beginning work on a road reconstruction and resurfacing project. The superintendent must wait for a provincial civil servant to issue a work permit for necessary and essential work approved and paid for by an elected municipal council.

This has long been an issue of contention for our municipal council and is seen as unnecessary and unwarranted duplication of services at best. Reports suggest that MNR currently issues approximately 54,600 permits annually at a cost of \$3.5 million. Implementation of schedule N will mean that as few as 5,000 permits will be issued.

We applaud and endorse the intent and purpose of schedule N which will remove unnecessary administrative work for our municipal employees and result in provincial savings of up to \$3 million over two years.

In closing, I would like to thank the committee on behalf of the township of Red Lake for the opportunity to appear here today, and although I'm not an expert on Bill 26, I do look forward to answering any questions.

**The Chair:** We have just a little more than three minutes per caucus for questions. We start off with a member of the third party.

**Mr Pouliot:** I remember vividly—and I say this as an anecdote—during the four years and nine months that we were the government I had four different ministries, including Transportation and Northern Development. I recall, it could have been yesterday, how your township—with high respect of course, in other words, and why not—was always calling for a few dollars more.

**Mr Sayeau:** Of course. That's our job.

**Mr Pouliot:** That's right, because the money was there. But it seems that on the road to Damascus there's been a conversion.

**Mr Sayeau:** Not at all.

**Mr Pouliot:** Mr Sayeau, the social contract will end on March 31, two and a half months from today; 850,000 people across the province will come calling. Some of them will be in Red Lake and you're the spokesperson for Red Lake. You will not raise taxes. The police people providing essential services, your fire department, no less an essential service, Harry Smith the snowplow operator, Jane Jones the day care centre operator—what are you going to tell them when the social contract ends and they come to negotiate and they would warrant some reconciliation?

They're not getting any more money. You're getting far less money this year and the year after, and who knows in the third year? Those people have been under restraint for the past three years by way of the social contract. What are you going to tell them? Because they're coming in March, sir.

**Mr Sayeau:** First of all, in response to the comment that there may have been a conversion on the road to Damascus, my standard answer to that question is that as a municipal councillor I'm obligated to take every nickel that I can get from every provincial grant that's available. The provincial government's job is to make sure that it's not available. So I don't think there's been a great conversion.

**Mr Pouliot:** You're so honestly dishonest.

**Mr Sayeau:** As far as what we will tell our employees when they come at the end of the social contract: We will negotiate in good faith with our employees and hope to achieve the necessary understandings that will result in us being able to absorb the transfer cuts that we've been given and deal with them in a financially responsible manner without a deficit budget.



**Mr Stewart:** Mr Sayeau, it's interesting to note that municipalities, and yours included, over the last couple or three years have had a zero increase in taxes, and yet the previous governments, the last two, have raised theirs I think in one case 32 times and the other 33 times, and yet they're suggesting that you people do not have the ability to operate your municipalities in an efficient manner. I have real difficulty with that.

Restructuring, something I've been very involved with: There are approximately 829 municipalities in the province of Ontario. All have clerks, all have staff, all have roads, all have tractors, all have graders, all have everything.

**Mr Sayeau:** Boys have to have their toys.

**Mr Stewart:** Absolutely. Do you think that there is enough teeth in this bill, in not an intimidating way, to get the municipalities in this province to restructure? I believe that economics are going to force restructuring in this province. Do you feel that what's in that bill will allow the people to do it but yet be locally driven?

**Mr Sayeau:** I think that it's a great start. What doesn't cease to amaze me, as I travel and meet municipal colleagues from other municipalities, is the tremendous sense of challenge that I'm seeing among municipal councillors, reeves from all over the province. Everybody realizes that the crunch is on.

In our area, when we knew that there were cuts coming and we were warned that they would be in the neighbourhood of 20%, we planned a worst-case scenario to address that and there was not a single councillor who talked in terms of tax increases. Everybody talked in terms of, "How are we going to do this better, simpler, cheaper, more effective, more efficient?" and that's the feeling I'm starting to get from my municipal colleagues all over, because the days of municipal tax increases, you just don't see them any more in our area of the woods.

1410

**Mr Stewart:** But it appears upper levels of government, as has been shown in the past, can raise them. It doesn't seem to have—they don't want to be very efficient at all and I think that's what we now have to address by these types of tools, to get on with putting the province back into an efficient basis.

**Mr Sayeau:** Well, then do your job.

**Mr Mclash:** Thank you for your presentation as well, Pat.

I have to say that I was a little bit surprised at your statement regarding the cost of the hearings and I must say, as a member representing a northern riding, I worked very hard to get these hearings to come and listen to the views of people such as yourself, the views of health care professionals across northern Ontario and not only for that, but for them to get to see the area as well. We don't have any members on the government side representing northern Ontario and we must remember that. I was very, very happy to get the committees to travel throughout northern Ontario and, as I say, was quite surprised by your comment.

Mr Sayeau, in terms of health care, you mentioned about the home for the aged relying on the Minister of Health for funding to go into its operations. We know that health care throughout the north relies heavily on

recruitment of physicians, health care professionals, into the north.

In terms of weighing the importance to the people we service throughout northwestern Ontario, do you think a 30% tax reduction or the guarantee of retaining their health care is more important to the people in northwestern Ontario?

**Mr Sayeau:** First of all, I thought I'd clarified that the comments regarding the cost of the hearings were not intended as any criticism of the process, because I do really believe in the process.

**Mr Mclash:** Thank you.

**Mr Sayeau:** I was just trying to illustrate the fact that over what is relatively a short period of time, as a matter of fact, during the half hour that I'm sitting here, the province is going another \$500,000 in debt. It's another way of looking at it.

But in answer to your question concerning the personal income tax cuts, I think those personal income tax—and again, you're forcing me to speak as an individual rather than as a member of council, and you must remember that my answer is going to be as an individual.

The potential for stimulus, I believe, is significant and I think it can benefit municipalities in a number of ways. For every verandah that's added, for every fence that's built, for every basement that's converted, for every addition that's added to the home, there's a potential for an increase in assessment.

It's amazing to me how small increases in assessment in a municipality translate into tax revenue. So I think there's a lot of hysteria surrounding the bill and a lot of hysteria surrounding what's going to happen with the tax cuts. I think that they'll be stimulus more than detrimental.

**Mr Phillips:** I'll just follow up briefly on that because you make mention of managing the finances well, and I think we understand that quite well. The last time a Conservative government ever balanced the budget in this province was 1969. The idea that the Conservatives could manage the finances is a fallacy frankly, and so I take no lessons from them at all.

The province's financial plan is this: They're going to cut \$8 billion of spending. You've already been hit fairly hard. Of that, \$5 billion goes not to what you want it to go to, I gather, which is reduce the deficit, stop paying all these interest payments; it goes right out the door in the form of a tax break. So it doesn't answer what you think is a fundamental here, which is to reduce our deficit. In fact, this little chart shows that \$2 billion of it goes to people making more than \$85,000.

The reason I've raised this question is because, as you're going to be forced to deal with reduction of services or adding fees, is it the—am I interpreting you right, that the Red Lake group supports this use of the money? In other words, a \$5-billion tax break, \$2 billion of it going to people making more than \$85,000, in order to, I guess, make the government look good in the eyes of their supporters, but in the end the municipalities, I think, are paying the price of this. Is that how we reduce our deficit/debt interest payments, by dividending \$5 billion, 40% of it going to people making more than \$85,000? Is that what you're supporting?



**Mr Sayeau:** Again, if you'll refer to my brief, which was presented on behalf of the township of Red Lake, that particular issue was not addressed.

**Mr Phillips:** But the \$1 million an hour was.

**Mr Sayeau:** The \$1 million an hour was, absolutely.

**Mr Pouliot:** Half a million on your account.

**Mr Sayeau:** Right. I think the two go hand in hand.

**The Chair:** Thank you, Mr Sayeau. We've come to the end of your time for presentation. Thank you for coming forward today and making your presentation to the committee.

#### LAKEHEAD REGION CONSERVATION AUTHORITY

**The Chair:** May I please have representatives from the Lakehead Region Conservation Authority come forward. Good afternoon and thank you for coming today to appear before the committee. You have one half-hour this afternoon to make your presentation. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if you'd take some time at the beginning to introduce yourselves for the benefit of Hansard and committee members.

**Mr Rick Potter:** Rick Potter, chairman of the Lakehead Region Conservation Authority. With me this afternoon is Mervi Henttonen, our general manager and secretary-treasurer. On behalf of the Lakehead Region Conservation Authority, I would like to thank you for the opportunity to speak with committee members about our comments, concerns and proposals regarding Bill 26.

Firstly, I am here today as chairman of the Lakehead Region Conservation Authority. I've been an authority member for 10 years as a provincial, city of Thunder Bay and, currently, an Oliver township representative. I have been chairman since 1988 and have been involved in various capacities with the Association of Conservation Authorities of Ontario. In point of fact, I have worked for and been associated with conservation authorities throughout the province for over 30 years.

During my tenure I have seen many changes fiscally and philosophically in the conservation authorities program, but I can honestly say that these have been managed by the Lakehead Region Conservation Authority efficiently, professionally and always with continued quality service to our watershed residents.

During my address to the committee I wish to discuss specific sections of the proposed legislation as it affects the Lakehead Region Conservation Authority in particular and the 30 conservation authorities across Ontario in general. I will also be outlining the serious implications for the environment and future generations that will certainly result from these changes.

To begin, I would like to provide a brief synopsis of the mandate, programs, and achievements of the Lakehead Region Conservation Authority. This will help provide a context for more specific remarks later on.

The mandate of a conservation authority is to conserve, restore, develop and manage natural resources on a watershed basis, which includes protecting people from flooding and erosion. These are the essential reasons that

inspire conservationists and, ironically, a somewhat visionary Conservative provincial government to establish conservation authorities by the Conservation Authorities Act in 1946.

I submit that the Lakehead Region Conservation Authority since 1954 and conservation authorities throughout the province in the last 50 years have served the province extremely well. Considerable effort and capital were expended initially to protect existing developments from flood and erosion risks, that is, looking after mistakes prior to having a conservation authority.

In the Lakehead region our largest capital project to date has been the construction of the Neebing-McIntyre Floodway. Chronic flooding plagued the floodplain lands adjacent to the Neebing and McIntyre rivers in the intercity area of Thunder Bay. Construction of the floodway, completed in 1984 at a cost of \$15 million, now protects this area from flooding. Millions of dollars of commercial development have now been made possible in formerly flood-prone lands.

Another major capital project was erosion protection along the Kam River. Bluffs along the river were stabilized to protect existing homes, roadways and utilities.

The major, and some of the minor flood and erosion problems have been resolved, although many minor problems still have not been addressed. Complementary to the remedial work, preventive programs have been in place for several years now to keep new problems from developing.

#### 1420

The dual goals of conservation and flood reduction are interconnected. Major capital projects are conspicuous forms of flood and erosion control. However, the Lakehead Region Conservation Authority uses many of its "conservation" programs to help lessen the flood/erosion risk.

Concrete is not the solution to conservation. For example, the authority, in an extremely proactive manner, regulates and reviews development near watercourses to ensure new construction does not put life and property in danger of flooding and will not impact on the watercourses and other property owners. Our flood forecasting system monitors the flood risks and puts into action an emergency plan to warn people in flood-prone areas.

This authority manages 2,500 hectares, or 6,000 acres, of conservation lands. While most people know these areas as great places for hiking, field trips and nature viewing, they also play a crucial role in flood control. Properties in headwater areas, such as Mills Block and Williams Agreement Forest, as well as other forested properties, such as Wishart and Hazelwood Lake conservation areas, hold back water and help to moderate stream flows. Still other lands, such as along McVicar Creek and the Kaministiquia River, are owned chiefly for flood and erosion control purposes.

Conservation lands are assets for many other reasons. They provide much-needed recreation opportunities for residents as well as tourists. They're used as sites for field trips and conservation education by schools, scouts, seniors and other groups. Our usage is doubling and tripling on an annual basis.



Many people from southern Ontario, and this may include some of the honourable members here today, view northern Ontario as an expansive wilderness of forest dotted by a myriad of lakes and rivers, with a million places to enjoy recreation. This idyllic perception may be true in some areas, but sadly not in the Lakehead region. Much of the forested land in our jurisdiction is privately owned; cottages line the shores of most inland lakes and much of Lake Superior's shore. In all the great outdoors near Thunder Bay there are very few locations where the general public can access the abundant natural beauty of northern Ontario. We are unfortunately not that much different from southern Ontario in this regard.

Fortunately, there are conservation lands owned by the authority. Along the 200 kilometres of Lake Superior shoreline in our jurisdiction, we offer five access points to Lake Superior, including two boat launches. Public usage of these 200 hectares of waterfront increases dramatically each year. We also have a 270-hectare parcel of undeveloped land which can be used to meet future access needs. Before we started this there was not access between Minnesota and 60 miles north of here.

Our watershed management responsibilities include services to municipalities in the form of planning advice, correcting flood and erosion problems and dealing with issues that cross, and I repeat "cross," municipal boundaries. We provide these services in a cost-efficient and professional manner.

Our per capita cost to the province was \$3.68 in 1995. In Ontario conservation authorities served 9.3 million residents at a per capita cost of \$3.60. We maintain that this relatively small investment in the environment is more than recovered by direct and indirect benefits to the environment and economy. However, the government seems to place very little value on the environment, as witnessed by the proposed changes contained in Bill 26, and the announced halving of the province's per capita contribution to \$1.83 in 1996.

Scope of the cuts and legislative changes: I shall now make my remarks regarding the proposed Bill 26. Many of these have been previously presented to this committee by the ACAO and other conservation authorities. However, I feel it is worthwhile to reiterate them as they relate to the LRCA.

(1) The limitations on projects and programs eligible for provincial and municipal funding are extremely restrictive. Maintaining existing flood control structures and paying taxes on lands deemed "provincially significant" ignores the strength of managing natural resources on a watershed basis. It also puts a halt to many preventive and additional benefits derived from watershed management.

(2) The proposed amendments provide no mechanism for member municipalities to agree on a majority basis to services and levies other than flood control. It is reasonable to assume that municipalities will still see the wisdom of watershed management, and working collectively on studies, conservation areas and other programs. However, there is no mechanism to do this. Additionally, if one municipality chooses not to support a program, that could effectively kill the program desired by the majority of municipalities.

(3) Bill 26 does place additional burdens on municipalities. Lack of provincial support for comprehensive watershed management will hinder the conservation authorities' ability to assist municipalities in regulatory services, watershed information and floodplain management. The conservation authorities' role in floodplain management is being downloaded to municipalities. They would assume responsibility in these areas although they may lack the expertise. This would increase their liability and will mean added expenses to acquire the needed level of knowledge. Bear in mind that some of our member municipalities have less than 1,000 residents and a handful of staff, decreasing on a daily basis.

(4) There are provisions in Bill 26 which could impose undue costs on municipalities. This amendment would allow the Minister of Natural Resources to impose flood control measures even if the local community did not consider it a priority and then send them the invoice for the work. We are concerned about this top-down approach that flies in the face of local decision-making and priorities.

Some changes increase duplication, such as giving power to a second ministry to review user fees. We view this as an unnecessary level of bureaucracy.

(5) We urge the government to examine the concepts put forward in the ACAO's Restructuring Resource Management in Ontario: A Blueprint for Success document and to facilitate the one-window and other streamlining initiatives contained in that document.

(6) The Lakehead Region Conservation Authority also endorses the comments as outlined in the Association of Conservation Authorities of Ontario's written presentation to the standing committee submitted on December 17, 1995, which are appended to this presentation.

(7) Finally, we are extremely concerned by the lack of environmental policy from the government. Many of the provisions and amendments in Bill 26 will serve to weaken the status quo in natural resource conservation. They will also contribute to disparities in environmental quality and management between municipalities.

We urge the province to maintain a role in environmental policy that recognizes (1) the watershed as a unit for resource management, (2) the contribution of a healthy watershed to a healthy economy, (3) preventive efforts as preferable to reactive programs, and (4) sustainable resource use.

Impacts: I'd like to be very clear about my next remarks. The legislative changes in Bill 26 and the cuts announced in the government's November financial statement will have serious and detrimental impacts on the environment and the economy of Ontario.

The government is sending a clear message that they have little regard for the long-term health of the environment. After decades of working to the point where we are preventing problems, that is, being proactive, now the government wants to throw the people of Ontario back in time. They would abandon the broad range of preventive programs, which I outlined at the outset, and only maintain flood control projects that already exist. Perhaps the government feels that their job is over in reducing the risk to life and property from flooding and conserving watershed resources. They would only support provin-



cially significant lands, which would leave out more than 4,000 acres of conservation lands managed by the Lakehead Region Conservation Authority.

I submit that the government will fail in its expenditure reduction efforts in this regard by its shortsighted actions. Indeed, the Conservative government will increase the debt of Ontario.

The savings that the government hopes to realize in cuts to the conservation authority program will be far outstripped by the increased expenditures in future years. Current and future taxpayers can look forward to expensive capital works, more concrete, costly programs to clean a degraded environment, a lower quality of life from fewer green spaces, a lower tourism potential, and so on.

The people of Ontario have already paid this price once to correct mistakes made from the first decades of the 20th century.

As I stated at the outset, healthy watersheds contribute to a healthy economy. The government, through its abandonment of proactive and preventive watershed management, will be throwing away an investment of millions of dollars and years of work. Along with it may go numerous ancillary benefits to watershed residents and the local economy. If watersheds are allowed to degrade, there will be far-reaching consequences. The government will fail in this regard to achieve any real saving. Instead, they will be creating a further debt load that current and future generations of taxpayers will have to bear. A shortsighted and short-term reduction in expenditure will yield substantial costs in the future.

1430

This position can be supported by numbers. Let us take the example of the Neebing-McIntyre floodway. Imprudent development in the past resulted in life and property being at risk from flooding and millions of dollars of property damage over the years. Add to this expense and social disruption the \$15-million cost for a major capital project to correct the problem. Additionally, look at erosion along the Kam River. Past development in an area near active bank erosion once again needed a large capital project to protect the development. The cost for this was \$5 million. Add it all up and you have cost the taxpayers in excess of \$20 million. This could have been prevented.

Compare this to the cost to municipal and provincial taxpayers for conservation areas, plan input and review and the broad range of other watershed management services offered by the Lakehead Region Conservation Authority. These two capital projects alone equal roughly two decades of preventive watershed management programs.

Continued preventive efforts will minimize the need for costly capital works to fix new mistakes that will undoubtedly arise from the government's current proposals. They can save money both in the short and the long term.

The watershed management efforts of the Lakehead Region Conservation Authority are a tremendous asset to the quality of life and the economy of the Lakehead region and the province. The authority works for a healthy environment, which in turn contributes to a healthy economy.

Recreation opportunities on conservation lands are available to all watershed residents and contribute to the tourism potential of our area. Cleaner water results from our efforts, which reduces expenses for water purification, increases the value of waterfront property, recreation and tourism, and reduces health care costs that would result from a degraded environment.

Conservation authorities do not halt development but ensure wise development near watercourses and sensitive areas. They do this on a watershed basis that goes beyond municipal borders—that is a critical point: watershed basis that goes beyond municipal borders—and saves the individual municipality money. It all means reduced long-term costs for municipalities and the province.

In short, the investment in preventive programs means real long-term savings and a host of spinoff benefits that add value to the provincial and local economy on a short-term and long-term basis.

Let's look at some alternatives. The government's proposals hope to achieve a cost saving, but they will also hinder our ability to deliver the benefits described above. There are alternatives that can achieve similar cost saving and maintain all these benefits and improve service to the public.

More than two years ago, conservation authorities produced A Blueprint for Success. I hope that most of the committee members have been apprised of its contents—I know some of them are very familiar with it—but I will summarize it briefly.

The blueprint identifies areas of overlap and duplication between various government ministries and conservation authorities. One example is the litany of agencies involved in permit approvals. The blueprint proposes to reduce areas of overlap and thus reduce the associated costs. At the same time, the public benefits from improved service. We have proven a 30% more efficient way of doing business. Conservation authorities are the logical choice to deliver this service, since we have considerable expertise and lower operating costs. We also operate on a watershed basis and can serve more than one municipality at a lower cost than if they had to deliver the service on their own.

Savings of millions of dollars can be achieved through this streamlining effort. Service to the public is maintained and indeed improved. The additional benefits of watershed management are continued. The province's goal of greater local control is achieved, since the conservation authority works for all its member municipalities.

The people of Ontario will not benefit from a short-term economic fix. There will be serious economic and environmental implications. The changes to conservation authorities outlined in Bill 26 will substantially weaken our ability to assist member municipalities, substantially weaken our ability to assist the very people who created us, in conserving watershed resources and meeting community needs for a healthy and safe environment.

The Lakehead Region Conservation Authority and conservation authorities have proven themselves innovative organizations capable of achieving objectives: greater local control, cost-effectiveness, service to the public, accountability and long-term economic and environmental



health. This system has worked well for 50 years with substantial results.

Ontario's conservation authorities were recognized at the International Joint Commission. They are currently being considered for award by the United Nations.

The proposals I have outlined offer the province an opportunity to meet its fiscal realities without jeopardizing the additional economic, social, health and environmental benefits the conservation authorities deliver to Ontarians.

The need for conservation authorities has not gone away. We know that healthy watersheds enhance the quality of life and contribute in so many ways to a healthy economy. We urge you to continue to support the existing mandate of Ontario's conservation authorities.

It is shortsighted to ignore environmental responsibilities. The impacts will be a liability on all our future generations.

**Mr Sampson:** Last week we heard from the Federation of Ontario Naturalists. At that time we also heard from a person who identified herself as a significant private donor to conservation authorities. She indicated that her knowledge of conservation authorities and her extensive involvement have led her to believe that the authorities are prepared to do better with less money. If it was a reality the conservation authorities had to deal with, she felt the individual authorities should and could deal with less money. What's your response to that? Do you feel the same?

**Mr Potter:** My response is that history has proven we have done a lot better with a lot less money. Previous governments have reduced real term dollar funding to conservation authorities in the past decade by about 75% to 90%. We still exist, which is a testament to the efficiency. This conservation authority alone went before the city of Thunder Bay last week. We are prepared to do with 10% less.

The bottom line is twofold in your question. Number one, can you do better business with less, as Mr Klees likes to say? Can you do less with less? We have said on a resounding and a repetitive basis, you're darn right we can, and we have. The second question, really the most important part to your question, should be, is there anybody out there who can do as good a job for the same money? We have proven through examples with the Ausable Bayfield Conservation Authority, with the Grand River Conservation Authority that we are able to achieve savings in the order of 40% to 60% and with an increased time frame of 30% turnaround in permit approval. Nobody has proven to do the job conservation authorities can do nearly as efficiently.

**Mr Sampson:** Is it your view that the expenditure reductions, the cutbacks being dealt to the conservation authorities should reflect—how should I put it?—the differences in efficiencies between the various authorities as opposed to an across-the-board cut? Should we say, this one's doing better with less money already, so it gets less money cut?

**Mr Potter:** When you deal with 38 conservation authorities—I think we include in excess of 630 or 650 municipalities—obviously there's going to be disparity in how you're doing business. As a northerner, as some of

the northerners here can attest, we do things differently in the north than we do in the south and things cost more. I hesitate to bring up the septic tank issue.

The point I'm making is that there shouldn't be a reward for incompetence or inefficiency in any business. I don't think your government or any other that would be sitting here today would want that. But there should be a reward for efficiency. So the answer to your question should be that if you have a viable organization delivering a quality and efficient product, you should not be unduly penalized. If we're trying to achieve true fiscal savings, we should be encouraging the efficient aspects and not encouraging the ones that don't deliver a quality product.

1440

**Mr Gravelle:** Thank you very much for your presentation, and a good strong one it was in so many ways. It's important to restate the fact that the government is not asking you to do more for less, they're telling you to do less for less in terms of what the responsibilities will now be.

I wanted to take the opportunity to focus a little on what won't be there if this goes through as it is. You'll be receiving 50% less funding to deal with flood control and provincially significant lands, but what will be the loss? I think it's important for people in Thunder Bay particularly to understand what will happen down the road. You alluded very strongly in your presentation to what the impact could be down the road in future costs. Even in specific terms of what you're mandated to look after now, it would be interesting and useful for people to recognize what might happen down the road.

**Mr Potter:** Sure. We are in the process right now of trying to address some of the tasks we've been given since November 29. We're looking at closing areas. We're looking at actually selling off property. We're looking at logging and forestry on conservation authority land to try to pay bills.

And let me put my municipal politician hat on. I don't have the nerve to go before many municipal councils and ask for a whole lot more money, so we're looking at staff reductions. There's going to be a decrease in the time frame in which we'll be able to do our job, turn around permits. There's going to be a decrease in public education. There's going to be a decrease in availability of the 6,000 acres of property we own. Property that was entrusted to us by private people, property that the province, by contributing to its purchase, said is germane and necessary, will have to be sold. People will no longer be able to access Lake Superior. The only public boat launch between here and the United States of America is the one that's operated by the Lakehead Region Conservation Authority. Those are just a few of the things.

The long-term picture is what really scares me. You're not doing anything now, and problems don't go away. For 52 years, you've been telling people, "You can't build a house on a floodplain." Now you're essentially allowing that. You're abrogating a responsibility. People will drown. Houses will be lost. There will be loss of property. This is not a pretty situation. And what's really terrifying is that once it's gone, it will never come back. One year will ruin 52.



**Mr Hampton:** Thank you, Mr Potter. I want to make sure I understand some of the issues you've raised. My understanding is that as it stands now, if you have a river 20 miles long that runs through, let's say, five or six municipalities and it's in the conservation authority's jurisdiction, the conservation authority can approach those member municipalities with a plan for flood control and flood prevention and say, "This is how we propose to do tree planting," or "This is how we propose to ensure that we don't have any damaging floods along this river," and every municipality would kick in some money.

**Mr Potter:** Exactly.

**Mr Hampton:** Correct me if I'm wrong. That avoids the freeloader principle, prevents a municipality saying, "We won't pay, and we'll take a chance that flooding will happen downstream to somebody else."

**Mr Potter:** Exactly.

**Mr Hampton:** Is one of your concerns that this is now opened up to the freeloader principle?

**Mr Potter:** Very much so. Mr Hampton raises a critical point, that rivers don't recognize municipal boundaries. Along the Kaministiquia River, 11 municipalities are involved. If my municipality decides it's not going to do anything for flood control, the city of Thunder Bay, which is on the receiving end, is darned well going to have to. That's not fair to anybody.

**Mr Hampton:** I'm aware that in southwestern Ontario, for example, in the early part of the 20th century a number of drainage ditches were built; the tree cover was basically cut off. I'm aware that from about the Second World War on, it has cost the province of Ontario literally hundreds of millions of dollars in terms of building flood control dams and additional drains to undo the environmental damage we did prior to the Second World War. What do you think will happen if we allow this freeloader principle and if we start selling off, not provincially significant, but probably municipally significant, regionally significant land that in some way can touch on flood control and flood prevention?

**Mr Potter:** I would submit it is provincially significant because the province is going to have a large degree of liability when someone sues it for allowing that.

The point you make is critical, Mr Hampton, and I would commend you on that point, that for \$10 today in planting trees you can save \$1 million worth of concrete five years down the road. We have an opportunity. We have an opportunity to do good business, to do environmentally sound business, to provide a recreation potential and still prevent us from having to spend these moneys.

As has been mentioned in the prelude to the question, in southern Ontario perhaps in some cases it may be too late. We, in some parts of northern Ontario, have a benefit. Let's not make the same mistakes. Let's protect what we have, let's improve what we have, and let's save the environment and money.

#### NORTHWESTERN ONTARIO STEELWORKERS AREA COUNCIL

**The Chair:** May I please have representation from the Northwestern Ontario Steelworkers Area Council come forward.

Good afternoon and welcome to the standing committee on general government. You will have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions and responses from the three caucuses. I'd appreciate it if, for the benefit of Hansard and the committee members, you'd introduce yourself at the beginning of your presentation.

**Mr Moses Sheppard:** Thank you, Mr Chairman. My name is Moses Sheppard. I'm the staff representative of the United Steelworkers and I service an area from Manitouwadge in the east to Red Lake in the west of this region. I should also tell the committee that I'm deaf and hear nothing out of the left ear and I have hearing aid assistance in the right ear. There may well be times when I'm ignoring you; there will also be times when I haven't heard you. Quite frankly, it doesn't much matter to me which.

There are two or three things that I want to talk to you about. Going directly to Bill 26, I want to talk to you about the reclamation of mines following cessation of mining. Mining is predominantly a northern Ontario phenomenon.

There are a couple of peripheral issues that I want to talk to you a bit about. One is the business of democracy. I should tell you, I spent five years in the Royal Canadian Navy and I spent five years in the Royal Canadian Air Force. The services in the 1950s were big on democracy, and they articulated a vision that is not consistent with the one that's going on in the Legislature these days. The military believed that we should be subservient to the civil authority. It was also assumed that the civil authority would be half civilized.

It is said that this bill is being driven by the deficit. The Ontario Mining Association was one of the first to write the new Minister of Labour and to congratulate her on her appointment to be the minister. They also extolled her virtues and the virtues of the Premier for having appointed her.

The president of the Ontario Mining Association wrote on July 4, 1995, to the minister and he requested that she turn her immediate attention to the repeal of Bill 40, the Labour Relations Act, the dismantling of the Workplace Health and Safety Agency, amending the Workers' Compensation Act, cancelling the royal commission on compensation, restructuring all the bipartite processes, for instance the Joint Steering Committee on Hazardous Substances in the Workplace, and the dismantling of the Occupational Disease Standards Panel.

The OMA, we believe, did that because they believed that having executed those various items, that would somehow or other assist with the deficit problem.

I don't know how many of you know that there was a point in Canada, in the period 1948 through 1970, when the federal government had something called the Emergency Gold Mining Assistance Act. Twenty-two years it lasted, which has got to be one of the longest emergencies in financial circles in any country.

#### 1450

Gold producers in Canada, predominantly in Ontario and Quebec, sucked \$261 million out of the taxpayers' pockets in those 22 years, the same group that's now



telling us, "Go hell bent for leather and get the deficit under control." They didn't tell us that they helped create that debt. I remind you, a quarter of a billion dollars out of taxpayers' pockets went into the coffers of gold mines.

What did they do with it? Let me tell you that Madsen-Red Lake Gold Mines in 1951, one year, got \$173,000 under the emergency gold measures act and paid dividends of \$349,000. Hollinger Consolidated Gold Mines received \$636,000 and paid nearly \$900,000 in dividends.

Our old friend Sir Harry Oakes once owned Lakeshore Mines in Kirkland Lake. In 1951, that mine paid \$700,000 in royalties and got \$203,000 from the federal government, the same federal government that's now saying to the province of Ontario, "We have no money to give you by way of transfer; we're in debt up to our ass." They forgot to tell you that they were part of the problem.

Imagine the unmitigated gall of these people. Can you imagine? They are supportive of a government that says to widows, to young people, to mothers on welfare, "To hell with you." That's what they're doing. The Ontario Mining Association is supportive of that. And now, I understand under your 26, you're proposing to let them decide about what to do with reclamation, post-shutdown.

Let's talk a bit about that. I worked in Atikokan at Caland Ore, an iron ore mine. We have in Atikokan two holes in the ground, one dug by Steep Rock iron mines and another dug by Caland Ore, which mined under royalty to Steep Rock iron mine. Those mines were abandoned, in 1979 in the case of Steep Rock and in 1980 in the case of Caland Ore, and they went away.

Caland Ore, by the way, is a subsidiary of Inland Steel of Chicago. In the period that I worked there, for eight years plus, we mined high-grade sulphur ore, ore so high in sulphur content that it couldn't be milled. If you put it into pelletizers it would blow them up. It was so high in sulphur content that one of the truck drivers accidentally dropped a truckload on a high dump and the following day the sun set it on fire.

What did we do with that? We asked in those days that it be completely encapsulated, that it be taken away from the perimeter of the mine because that mine is a lake. It's Steep Rock Lake. It is now going back and being reclaimed by nature.

I want to know from you, because Steep Rock iron mines has no more interest in this and Caland Ore never did, who is monitoring that mess? If there's a breach of those dumps, and there are thousands of tons of high-grade sulphur in them, and it gets into that lake—ultimately you know, I expect you know, that all water west of Atikokan flows into the Arctic. We will have battery acid in the Arctic Ocean. Who's monitoring it? It's 15, 16 years since it was shut down. Who in 10 years will know that it was there? Who's going to pay for the ecological death?

Quite apart from anything you do to Steep Rock Lake, it has the potential to destroy the ecological system downstream. You know, we all know, we've all read about the incidence of PCBs in the mother's milk of Eskimo women; a language and a culture so old that they cannot comprehend that PCBs can show up in mother's milk and hurt children; a culture that survived all of those

years and forgot and didn't know that there are nasty things going on, thanks to us.

We took that high-grade sulphur ore out of the deepest part of that mine, between 1,000 and 1,100 feet; open-pit mine. There is still high-grade sulphur in situ in that mine. If there is any kind of seismic disturbance and the underwater unravels, you will not only have the threat of the high-grade sulphur—which is going to be, I suspect, at or marginally below the water level of that lake once it's reclaimed—you will have the damage that may be going on at 1,000 or 1,100 feet below the surface.

My understanding is at the moment that the question of the liability of these mines is now wrapped up in the courts. Two or three small timber companies moved in, used the surface buildings, and now there's a ruckus going on about who at the end of the day will be responsible. There is as well a small business on that lake of a man who's harvesting trout, or fish of some sort.

There is as well in the adjacent mine at Steep Rock in the days when I was at Caland a PCB spill. Some of you will remember Alec O'Neill who was the president of my sister local at 3466. Alec forced that company to clean that mess up. He forced them as well to bury the tools that were used in the cleanup and it was put in a clay-lined pit. But who's monitoring it? Where is it now in relationship to the lake water? Does anybody give a rat's ass anymore about these things? We don't believe they've been mapped. We don't think anybody's inspecting it. We have the feeling that nobody really cares.

I should tell you, you're in Thunder Bay; you're in the near north. There's a great big world west of us. You ought to go up and visit them some time. They'd love to see you. They're Ontarians; they'd like to have some input. If I lived in Kenora, it would take me six, seven hours by road to get here. If I'm a welfare mother, where would I get the gasoline? How would I get here? So think about that whole north. You could put all of southern Ontario north of Kenora and lose it; you wouldn't be able to find it. The north is riddled with places like Atikokan.

Let me enumerate for you: Red Lake, Balmertown, Cochenour, Madsen, Ear Falls, Ignace, Pickle Lake, Beardmore, Manitouwadge, Geraldton. All of those have one thing in common: They've all got at least one mine that's shut down and left a mess. All of them left a mess, despite the fact that we had all of these wonderful regulations that the current government is opposed to. They left a bloody mess, and you're now suggesting that even that minuscule effort was too much and you're now prepared to give it all back to them.

Let me tell you that the north is littered with abandoned tailings, a place where children go and play in the afternoon sun; tailings that have in them exotic and wonderful things like arsenic and mercury and lead and silica and Christ knows what else, because we're talking about 20 years of milling and all of the byproducts of the milling process that have gone in there too. We're talking about tailings on McKenzie Island now inching into Red Lake. We're talking about mining activities that are probably responsible for 200 to 300 barrels of God knows what in Howey Bay in Red Lake, the source of the drinking water of that community.



We're talking about active mines. Let me tell you a bit. Not more than five years ago, an active mine in Red Lake lost at least a ton of mercury to process. It's not a spill if you lose it from process. If you started off with two tons of mercury and at the end of the day in processing gold you only had a ton left, that's not a spill. It disappeared. We think we know where it went. We think it went into Balmer Creek.

No prosecution. When we approached the company, they said, "We didn't break any law." We reminded them of the obligations of a citizen. Quite apart from what we write down and the legalities, we all have obligations as citizens to ensure that the environment is not damaged because of inactivity or bad activity by us. I should say, it might have been 20 bloody tons for all I know. They never argued that it was less than a ton.

**1500**

The CEO of that company told me he didn't like mining in Ontario. He wanted to go to China and to Chile because they don't have bad labour laws and bad environmental laws—bad, presumably, because somehow or another the ones that we had, as bad as they were, he found those oppressive. He wanted to go to China and to Chile. The good thing is that he can't take the mine with him.

You also must recognize that mining is not an innocuous activity. In mining we use explosives by the ton. I once detonated a blast that drove the seismic instruments at the University of Minnesota right off the rail. We use trucks, 6,500-and 7,500-ton trucks. We use things that could turn this place upside down and walk through the centre of it. All of these things are designed to have a negative impact upon the environment. We continuously inflict damage upon our surroundings by the use of these tools and we don't want you to say to the mining companies, "You can now manage this yourself."

Let me tell you this afternoon, we have one mine in northwestern Ontario that brings air that's breathed by miners underground to 38 degrees. The rest of them will bring it to 32 degrees or they won't do a damn thing with it. If it's 40 degrees below zero outside, that's what you'll breathe underground. In 1996, that's what we're doing. Not one of them has potable drinking water. I've showed some of you the wonderful toilet pictures. I'll bring them back if you want. We still defecate underground in plastic bags and nowhere do I know of a place where you can go and wash your hands after you've gone to the bathroom and before you eat your lunch.

We have a mine where we have a dozen people with mysterious illnesses of the lung. We are told by the health and safety people of the company that there is a collective psychosis at work. A collective psychosis. These people are not only jamming it, they've convinced the doctors and the hospitals and the X-rays technicians that it's all a big game.

I've attached to this document—you ought to have a look at it—some soil sampling from Balmertown. They got ready to build a primary school in Balmertown three or four years ago and somebody had the good sense to say, "Why don't we do some soil samplings?" and indeed they did. Have a look at those soil sample reports. At least I think they're here; maybe they aren't. Yes, it's two

or three pages from the back, "Soil Chemical Analysis." A test hole at one metre: cyanide 0.4 parts per million, arsenic 1,300 parts per million, mercury 0.44 parts per million.

In those days you were supposed to have not more than 10 parts per million arsenic in urban areas. We had up to 2,100 in an area adjacent to a residential area where we were about to build a school. You are now going to give the reclamation of mines back to people who allow this to happen?

You will find in here something from your own chief of environment in the city, Dr Griffin, about water, both in the mines in Balmertown and in the municipality.

They use wonderful little buzzwords. They've had, it is said, bacti problems. Anybody know what "bacti" is? Imagine if you were a resident with a grade 6, grade 7, grade 9, a grade anything, what is a bacti problem? Well, I rather think it's bacteriological. Why don't we say that? I rather think if you said that, people would get really upset and annoyed. They would come and kick your ass, so don't tell them that. This is the group that you people now are going to turn mine reclamation back to. You should be ashamed of yourselves, and I mean that. You should be ashamed of yourselves.

Finally, let me go back to where I started: the business of democracy. I told you that the navy and the air force taught me a lot of things about democracy. It said that I ought to have the right to be heard. It didn't say that the guy I was talking to had to agree, but it said as a minimum you should be heard. You people wanted to deny me that. You wanted to deny the people of Ontario the right to examine your proposed Bill 26. Why?

Governing is not a licence to hammer the population. Governing is a trust, and a very fragile one at that. The people of Ontario have demonstrated, and God knows I have dealt with Tories for as long as I've been around. I remember Dr Stephenson, hardly a pushover, but I could sit down and I could debate with Dr Stephenson and at the end of the day we could come to an agreement. She wasn't totally happy and neither was I and neither was the trade union movement.

We dealt with people like Jim Auld, and the king of the north, Bernier. These were not rabid socialists but, God damn it all, we could accommodate each other. We had the decency to sit down and to dialogue and to talk and to work it out and to make it work.

I don't understand the current government. It's got this province split right down the middle. That's not governing; that's terrorism. Why do you want to jump on Ontario workers? These are the people who drive ambulances after they're finished work. They teach Sunday school. They deliver Meals on Wheels. They're the volunteer firemen. They're wonderful people until they sign a union card or until they want a collective agreement or until they insist upon having some rights, and then all of a sudden they become nincompoops, because that's what you've done.

I have a feeling that when you go to Queen's Park you're supposed to take your head with you and think the stuff through, rationalize, arrive at solutions that are reasonable and that are workable. I should say to the opposition members that while I'm not approving of the



tactics they used in getting at least this extension, I know why they did it. But I have to tell you that my 15-year-old thought you should have all been spanked and sent to your rooms. I said the danger with that is that some of them might enjoy spanking.

You see, what are we teaching her? What are we teaching children? Are we teaching them to divide, to create chaos, to have two groups of people? Is what we want them to learn about democracy? I've said that you ought to heed the old admonition, "Physician, heal thyself." Go back to the Legislature and talk among yourselves about a better way. There's got to be a better way.

My 15-year-old and every 15-year-old and every child in this province should be able to look at what's going on the parliamentary channel and be pleased and be happy and feel good that their point of view, while maybe not supportable, at least has been debatable; it got on the record.

If you insist on cutting off debate, then, my friends, let me tell you that democracy will not survive for long. I don't know what you will have. I'm not asking that you agree with me, but I demand that I have a right to come here and I demand a respectful hearing and so does every Ontarian. All of you, those of you in the Tories who supported the bill on labour, for instance, you propose to teach us about democracy. You want to democratize unions. Well, if there's something that this government hasn't got to teach unions, it's about democracy, because you either don't know anything about unions or you don't know anything about democracy, or maybe you don't know anything about either one of them.

1510

My union has been democratic for its entire existence. If you want to see democracy in action, I invite you to come to any steelworker union meeting and sit up front. Stay there for a couple of hours, and when you leave you will be convinced that there is democracy in my union, and I think in all unions in this province. No government in this country, federal or provincial, can lecture the trade union movement on democracy. You have stolen our rights, you have taken our agreements and torn them up, you have legislated us back to work, you have put us in bloody jail; you have nothing to teach us about anything. We have earned the right to be here. In the event you've forgotten, you have signed every labour code at the United Nations and before it the League of Nations since 1906. I would suggest that you go back and read them and understand what it is you agreed to do all those many years ago.

**The Chair:** Thank you, Mr Sheppard.  
*Interruption.*

**The Chair:** Order, please. I'd like to get some questions from the caucuses. We have about two minutes per caucus, starting with the opposition caucus, Mr Gerretsen.

**Mr Gerretsen:** I'm sorry I missed hearing your entire presentation, sir, because it was really and truly heartfelt. I totally agree with you. I dealt with Tories an awful lot too in my former life as a municipal politician, and they were consensus builders. From the little that I've seen as a new member of the Legislature, these people are not that way. They're dividing the province.

I wonder if you could just make one very brief comment. You know a lot about mining. I'm from southern Ontario and I don't know anything about mining. There are 15 schedules in this bill and one of them deals with mining, tied in with everything else: municipal affairs, health, you name it. Do you think that's the proper way to introduce legislation, to get good feedback from the public, when everything is put in together, and shouldn't that bill have been divided, as far as you're concerned?

**Mr Sheppard:** That's all I've said today, that if you want to find out what's going on in mining, go talk to some miners. You haven't done that. In fact, it looks like you're trying to avoid them. There are no mines in Thunder Bay. Sudbury has some. Go up to Timmins if you want to see something for yourselves. Look at the beautiful park they had in Timmins when they started to do tailings reclamation a number of years ago. They've now turned it into a lake. It looks like a shithouse on wheels up there. The point is that yes, they should have isolated it; they should have gone to people who know mining; they should have talked to all people in mining, not just to the people with the money in mining.

**Mr Micalash:** Mr Sheppard, thank you for your presentation. All I wanted to say was that you truly reinforce some of the things I've been saying on the health committee hearings over the last week and today so far on these hearings: that there was very little, if any, consultative process in the drafting of Bill 26. I've yet to find anyone, as we travel throughout the province, who actually had some input into the drafting of that bill. I think you made that point very clear here as well. It's a pleasure to be here to listen to your northern perspective, because there is no way we would have gotten that at hearings that the government wished to have during that week in Toronto.

**The Chair:** Thank you, Mr Micalash. Sorry to interrupt.

**Mr Pouliot:** I am not an expert, far from it, but I'm comfortable with what you have said about separation of metals and what ends up as tailings and the obligatory statutes vis-à-vis reclamation. You know that I worked for 20 years in a mine. I've promoted and depressed metals through the use of chemicals. I'm a tradesman, a flotation operator, so I'm comfortable with chemicals.

I listened intently to what you said. I used to make those speeches, but not with the same emotion. I did it at work for a good number of years and I ended up being—only by a stroke of good fortune, because it brings on another dimension—the Minister of Mines, and not only I—of course not—we pushed for mine reclamation. It's not the end of the world. There are 3,000 defunct mines in the province of Ontario. It simply meant that for every rock that you put in the box you would put a few pennies aside for the day when you become extinct and that money would be used to address a definite plan.

The mine owners, the copper and gold barons, did not object. Oh, they screamed, but when we did pass the legislation they were more focused on what was to happen with the money in the fund. It doesn't hurt anyone, it doesn't leave a legacy where every other generation will start to pick it up, but what we have here is—I don't know why it doesn't save any money; it costs money.



We have people without—with respect—giving this documentation all the attention it deserves, I don't think it will come back to haunt them. I trust that any government will—again with respect—at least come to its senses, because nobody will benefit by pulling the rug from under mine reclamation. Surely, that's not what good citizenship is all about to mining. If you have a polluted environment it's bad for business. It's not good for business. The technology does exist today more than ever, of course, to rectify what has been a secondary thought in a bad situation. I share entirely your comment and it's nice to see you again.

**The Chair:** Mr Sampson.

**Mr Sampson:** The number on your submission here is 161, which tells me we've seen 161 written submissions so far—

**Mr Sheppard:** About mine reclamation?

**Mr Sampson:** No, total submissions.

**Mr Gerretsen:** It's the first one.

**Mr Sampson:** I wanted to tell you that this is the first I think we've received in a format that I would rather see, which is somebody speaking from the heart as opposed to reading from a document. I wanted to thank you for doing that. You've set a standard that I think the people following you, 162, 163 and whatever, will have a hard time meeting.

The issues that you raise are certainly of concern. The environmental issues as they relate to closed mines are something that I think we, in this day and age, will be paying for that we didn't think we were doing to the environment a number of years ago. As I said yesterday, environmental standards have changed as we've come to know what it is we're doing to this Mother Earth and they will change going forward. We could get more focused on it or we could get less; it just is a matter of the way society changes.

I put to you, though, that what we're trying to do in this particular legislation is to establish the flexibility to deal with that, because situations happen on mine closures that we didn't know would have existed two years ago. What this legislation is trying to do is deal with that reality.

**Mr Pouliot:** There's nothing wrong with not knowing.

**Mr Sampson:** I sat quietly while you gentlemen gave your speech and I'd hope you'd do the same here.

That's the intent. That's what we're trying to do. There are powers here given to the minister to deal with emergency matters. Those weren't in the legislation before. Clearly, the examples you've given to us so far

indicate that the current legislation hasn't done a very good job in protecting the environment. So we need to find better and smarter ways to do it.

**Mr Sheppard:** Nothing wrong with the legislation. It lacks enforcement.

**Mr Sampson:** Legislation and enforcement go, unfortunately, hand in hand. So I just wanted to leave you—

**Mr Sheppard:** Laying off all the inspectors—who's going to do the enforcement?

**Mr Sampson:** It's going to have to be done by the inspectors. That's their priority.

**Mr Sheppard:** We can't even get mines inspected with respect to the health of miners. We're now into something called "internal responsibility," whatever that means. We've gone on with that nonsense for five or six years. I had a fight not more than a year ago with one of the rich mines that can produce gold at \$96 an ounce and couldn't provide water underground, a six-month, bloody fight. You had regulators. What somebody said was, "Use the internal responsibility system."

We're not talking about rocket science here. Either the water is clean or it isn't. If it's not clean, why doesn't somebody say, "Go get some clean water and take it down to the miners; do that every day; wash the bucket that you take it down in"? This is not difficult stuff.

**The Chair:** Mr Sampson, I sorry, we've come to the end of your time. Mr Sheppard, I'd like to thank you for coming forward this afternoon and making your presentation to the committee.

Housekeeping announcements: Folks who are going from here to an airport, there's a shuttle that will make three trips starting at 3:30, and then probably every 15 minutes in between. You should be on one of those.

**Mr Phillips:** There are a couple of people who have requested to speak: the regional chair in Ottawa and the mayor of Peterborough. I'm not lobbying strongly, but I just think that maybe—it's perhaps difficult—if we happen to be in their municipalities, it's a little unusual if we don't permit those two. I dare say they'd both be speaking in favour of the bill, I've no idea, but I wonder if I might not move that we extend the hearings by half an hour in Ottawa and Peterborough to hear the regional chair and the mayor in those two municipalities.

**The Chair:** Okay, I'll ask for unanimous consent that the last half-hour in Ottawa and the last half-hour in Peterborough—so be it. Motion carried.

We'll adjourn until tomorrow morning at 9 am.

*The subcommittee adjourned at 1522.*







**EVIDENCE SUBCOMMITTEE  
STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

**Substitutions present / Membres remplaçants présents:**

Christopherson, David (Hamilton Centre / -Centre ND) for Mr Wood

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Stewart, R. Gary (Peterborough PC) for Mr Tascona

Turnbull, David (York Mills PC) for Mr Hardeman

**Also taking part / Autre participants et participantes:**

Gravelle, Michael (Port Arthur L)

Hampton, Howard (Rainy River ND)

Martin, Tony (Sault Ste Marie ND)

Miclash, Frank (Kenora L)

Pouliot, Gilles (Lake Nipigon / Lac-Nipigon ND)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Wednesday 17 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i></b> .....	GS-761
Thunder Bay Chamber of Commerce .....	GS-764
Doug Smith, president	
Rebecca Johnson, executive director	
Ontario Professional Fire Fighters Association, District 7 .....	GS-768
Ron Gorrie, vice-president	
Joe Adamkowski, financial secretary	
Thunder Bay Coalition Against Poverty .....	GS-773
Chris Mather, spokesperson	
Lakehead Board of Education .....	GS-778
Dr Linda Rydholm, chair	
Mark Bentz, chair, budget committee	
Jim McCuaig, director of education	
Thunder Bay and District Labour Council .....	GS-781
Mike Poleck, secretary-treasurer	
Judith Mongrain, executive member	
Glen Chochla, chair, political action committee	
Northwestern Ontario Municipal Association .....	GS-786
Michael Power, president	
South Neebing Community Organization .....	GS-792
Greg Laws, chair	
Township of Red Lake .....	GS-795
Patrick Sayeau, councillor	
Lakehead Region Conservation Authority .....	GS-799
Rick Potter, chairman	
Northwestern Ontario Steelworkers Area Council .....	GS-803
Moses Sheppard, staff representative	



2A20N  
XC16  
6125

Publications

GS-14



GS-14

ISSN 1180-5218

## Legislative Assembly of Ontario

First Session, 36th Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Thursday 18 January 1996

# Journal des débats (Hansard)

Jeudi 18 janvier 1996

**Evidence subcommittee  
Standing committee on  
general government**

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

Savings and Restructuring Act, 1995

Loi de 1995 sur les économies  
et la restructuration

Non-health-related issues

Questions non reliées à la santé

Chair: Bart Maves  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

## Evidence subcommittee

Thursday 18 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

## Sous-comité de preuves

Jeudi 18 janvier 1996

*The subcommittee met at 0900 in the Delta Hotel, Ottawa.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en œuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, ladies and gentlemen. Welcome to Ottawa. Before we begin this morning, I believe Mr Sampson has a point of order.

**Mr Rob Sampson (Mississauga West):** I would like to table to the committee six amendments that the government side is proposing which reflect some interest we've seen, some consistent views we've seen so far from the committee process. Unfortunately, I have only one copy. I understand copies will be made for the various caucuses. I'd like to table these now, if I can.

**Mr John Gerretsen (Kingston and The Islands):** But how does this jibe with your earlier statement—

**The Chair:** Order, please. We have a motion from Mr Silipo.

**Mr Tony Silipo (Dovercourt):** Thank you, Mr Chair. You put me so far away from you today.

**Mr Sampson:** You're still on the left, Tony.

**Mr Silipo:** I miss one day of meetings and all sorts of exciting things happen. I should know better, I guess. In any event, I would like to move:

Whereas there has been overwhelming public interest in Bill 26 and that 77 groups and individuals have requested to appear before the standing committee on general government in Ottawa which far exceed the 15 spaces available today for hearings;

I move that this committee recommends to the government House leader that when the House returns on January 29, 1996, that the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Ottawa;

Further, that this committee recommends that the three House leaders meet as soon as possible to discuss the issue.

I'll speak briefly to it. I'm happy that we are seeing some amendments today. I gather that amendments were tabled yesterday in Kitchener on the health part, but the government, for whatever reasons, chose to wait until today to table its amendments on that. While my motion doesn't speak directly to amendments, the connection is that in each of the communities we have been in, we have heard—not only do we know that there are far, far more people and groups that are interested in speaking than the time allows for them to be heard, but in each of those communities we have heard continuously calls for changes at the very least to the bill. We've heard a lot of concerns expressed about the bill, and I'm sure that will be the case as well today.

There certainly has been some support for the general direction of the bill, but overwhelmingly people have spoken against the bill and have raised a number of significant concerns: in terms of the wide-sweeping powers that are given to ministers; in terms of the shift of powers to municipalities to tax; in terms of the taking away by the government of rights to people's pensions, as they are doing in the case of the people who work for the government; in terms of taking people's rights away like the pay equity provisions for 100,000 least-paid women in the province. Those and many, many other provisions are things that we've heard about and those are all issues that warrant further discussion and further examination.

I don't know whether the amendments from the government this morning address any of those issues. I guess we'll see. But it seems to me, certainly given what we've heard so far and given the interest that I know exists here in Ottawa, that it would be incumbent upon the government to follow the order that we have, which is to return the bill on January 29 to the House, but at that time to acknowledge publicly by way of having further hearings here in Ottawa that all of the views that we know the good people of Ottawa-Carleton have on this bill will not have been heard, even with all of our best efforts, by the day's end and that further hearings would assist greatly in ensuring that the piece of legislation that comes out at the end of this process is one that is worthy of the name.

**Mr Sampson:** Welcome back, Mr Silipo. In speaking to this particular motion, I want to make sure that we have some facts on the table. I think it's important for the people in the Ottawa area to understand that the committee time that has been allocated—and I'm sorry that some of the people are behind me here, but I can't turn around and speak to you—to this particular bill, the total cumu-



lative committee time, is more than any other piece of legislation over the past 10 years, which I think certainly reflects—

**Mr Richard Patten (Ottawa Centre):** The size of the legislation—

**Mr Sampson:** Yes, it does reflect the size of the piece of legislation. There's no question about that.

We are prepared to receive written submissions from those who have not had the opportunity to come to us and present their issues and concerns to us at the committee table.

I think also on that topic, it's important for the people of Ottawa to understand how it is that one gets selected to fill one of the spots on the agenda today. There was an arrangement established by all three parties, agreed to by all three parties, and it is not the government table that makes the determination as to who is on or off the schedule. I think it's important to have that fact on the table.

We are listening, as is reflected by the fact that we have tabled six amendments today. We do not want to prejudice those who are yet to speak to us, although those amendments reflect the theme that we've seen in, I would say, the lion's share of the presentations that we've seen in front of us so far. But I would encourage those who are unable to speak to us today in person to provide written submissions, which we will review and give full consideration to.

Mr Chair, we will be voting against this particular motion.

**Mr Gerry Phillips (Scarborough-Agincourt):** I think that the people of Ottawa should know that the way the government's dealing with this bill is exactly the way the government wants to govern. They say they know best, nobody else has an input and the nerve of the government to try and force—this is the bill, Bill 26. It amends 43 major acts in the province of Ontario. It impacts everyone in this room in a very major way, whether you're involved with health care, with fire, police, hospitals, municipalities, everything, and they tried to ram this thing through in two weeks—absolutely unheard of. Introduced on November 29—and I would add that most of us were in a lockup, and the government knew that. This bill is a finance bill and at the very moment it was being tabled in the House, I and most of my colleagues here were locked up reviewing the fiscal statement of the government. It was a deliberate, blatant attempt to stifle debate, and I'm very angry about that. The government tried to force it through in two weeks, said it would be law by December 14. None of you would have had an opportunity to comment on the bill. It's a total insult. It really is. You should be ashamed of yourselves.

Then under pressure, they said: "Well, well, well. We'll extend it one week and we'll have hearings from 9 in the morning till midnight before Christmas in Toronto." Not in Ottawa or Thunder Bay or anywhere else in the province but in Toronto. I guarantee you, virtually no one would have had a chance to review this bill. Why? Because they don't want the bill reviewed. They wanted to force it through, force it through in two weeks. They should be embarrassing themselves. They're thumbing their nose at the public.

Then finally we got agreement to extend the hearings around the province till the end of January and the gov-

ernment put a gun to our head and said, "That's all you'll get."

I think the people of Ontario should be outraged by this, but it's typical, I think, of how this government plans to govern. You know what they say to us in the Legislature? "We did our consultation. We did our consultation and the people made their decision on June 8." They say, "We won." That's what the government says, "You lost, so keep quiet." Well, we won't keep quiet.

Then I will just say, yesterday the government member said, "We're not tabling any amendments until clause-by-clause begins." Fifteen minutes later, at the other half of this hearing, the government tabled amendments. They think we're fools. They tell us one thing yesterday in Thunder Bay at 9 in the morning, and at 9:15 in Kitchener they table amendments. It's an outrage; it truly is.

**0910**

So they have the majority, they will force their way and what you'll find today is there will be people in here supporting this bill, knowing nothing about the sections other than the areas that impact them. They're being held hostage to this. They're being told, "Come on down and support this bill," without knowing they are supporting provisions elsewhere in the bill that are an embarrassment.

I would say to people who come in and say, "I support this bill," in a few weeks, in a few months, people are going to come and say: "Why did you support the bill? Did you know it took away pension rights for public servants? Did you know that? Did you know it took away bargaining rights for police and fire? Did you know that? Did you know that it changed fundamentally the environmental rights for mining? Did you know that? Did you know that it made medical records publicly available? Did you know that?"

They'll say, "No, I just knew this section that we were dealing with and I could only say I support my section." So it truly is an outrage that you tried to force this thing through. You should be embarrassed. I'll support the motion, I'll say our caucus would welcome additional hearings. Because I don't think even the government members understand this bill.

**The Chair:** Before I put the motion this morning, I'd like to welcome Mr Lalonde from Prescott-Russell, Mr Chiarelli from Ottawa West, Mr Grandmaître from Ottawa East, Mr Patten from Ottawa Centre, Mr Morin from Carleton East and Mr McGuinty from Ottawa South to the committee this morning.

Eligible voters this morning are Mr Gerretsen, Mr Phillips, Mr Silipo, Mr Stewart, Mr Sampson, Mr Hardeman and Mr Young. All those in favour of the motion, on a recorded vote?

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Hardeman, Sampson, Stewart, Young.

**The Chair:** I declare the motion lost.  
Mr Phillips has a motion.



**Mr Phillips:** I move that whereas the government indicated as early as December 18, 1995, that it had prepared amendments to Bill 26;

And whereas the government plans substantial amendments;

And whereas presenters should be aware of the substantive amendments being proposed;

I move that this committee insist that the government immediately table its proposed amendments so the amendments can be part of the considerations during the presentations in Ottawa and other communities.

**The Chair:** Would you like to speak to the motion?

**Mr Phillips:** Yes, thank you. I think firstly the public should be aware that five minutes into these hearings, on December 18, Al Leach came to the committee—he's the Minister of Municipal Affairs—and said, "We are planning to amend," he said on December 18, and he outlined two amendments. We said that day, "All right, table the amendments." They refused to do that.

We have tried throughout these hearings to get the government to table the amendments. We heard from them, "No, we're not going to table any amendments until we've heard from everyone." The government member yesterday said: "No, no, that would be undemocratic. We won't do that." Then we had the absolute insult of 15 minutes yesterday after the government told us that, we find out, fortunately, that at that very moment that he was saying that, amendments had been tabled in Kitchener—this committee is split in two, as I think most people here in Ottawa appreciate—and substantive amendments were tabled.

The Minister of Municipal Affairs has outlined some proposals in here around taxes. We have had at least three mayors come before us. The mayor of Mississauga came before us and indicated—this is on the gas tax. "Does this permit a gas tax, Mayor McCallion?" "Yes." Then she goes on to say: "We were going to ask the government to pass legislation to permit a gas tax. Now we have the opportunity to put it in."

So we have this spectacle of people coming to support the bill, thinking it allowed certain things and therefore they weigh in supporting it, only to find it doesn't allow that at all. I used to think the government was simply mean-spirited. This bill shows to me that you're not only mean-spirited; frankly, I think you're incompetent. The reason I say that is that no competent government would have allowed this bill to come forward with as many mistakes in it as we see. I suspect we will see dozens of amendments proposed to correct this sloppy bill. I suspect that on Monday the ministers will come and lay out literally dozens of amendments, because it's a sloppy, poorly prepared bill.

As I say, I used to think you were simply mean-spirited, and now I think you're incompetent. Nothing could have demonstrated it more than yesterday, when the government members were telling us they weren't going to table amendments and at that very moment somewhere else the government was tabling amendments.

Even this morning, we have these amendments; we don't have a copy of them yet. The people who are presenting don't have a copy of them yet. I suspect it impacts on some presentations today. But we had one

copy dumped on our—and I guarantee you that the member had those amendments at least yesterday, could have gotten copies for us prepared for today and didn't. Why? Because it's part of an attempt to stop us and the public from having input into this bill. It started the day you were elected, when you said to us: "Tough luck. You lost, we won, and we're going to implement whatever we want to."

I would just say to all the people in Ontario that it's dangerous. This is a very dangerous bill. Someone coined the expression "the bully bill," and that's a good expression, the bully bill. Now the bully bill has no friends, because I think when people see the bill, they realize it's a true bully. Even the people who come here to support it today I think six months from now will wonder: "How did we get duped into that without knowing all the other sections of that bill? How did we support a bully bill that gave Mike Harris and the gang the right to run roughshod over the people of Ontario?" Among the biggest insults is the fact that the government prepared amendments a month ago and refused to table them here.

Just to summarize, I think the government should be embarrassed; I think the government members should be embarrassed. I would hope that you would table today the other amendments you've got. You've got them in your briefcases.

**Mr Silipo:** I want to speak in support of this motion for many of the reasons that Mr Phillips has outlined, although I have to say I am not sure that it's a question of incompetence on the part of the government to have the audacity to wait until now to give us some inkling of amendments that they clearly passed in cabinet, some of these we know at least a week ago, and as Mr Phillips has pointed out, some of these go back as early as December 18.

I think it really is because this government thinks that when it got elected on June 8 it also won the right to run roughshod over the democratic processes in this province. I think that's an affront to the people of the province, because it says to the people of the province that this government really doesn't give a damn about what it is that people think; it says to the people of this province that they know best, they're going to do what they want no matter what anybody thinks or no matter what anybody else says. That, above anything else, shows the arrogance and it shows the complete ignorance or the complete distrust of the democratic process that we've built up in this province for years and years.

Surely the government has the right to govern; no one has questioned that. But it also has a responsibility to follow a process. When you're dealing particularly with a bill that has the kind of far-reaching implications that this bill has, as we have been able to point out, as speaker after speaker coming before us has pointed out and as government members themselves, had they the courage to admit it, would be able to also say is the case; when you have such a bill, it is incumbent even more so than in a normal situation that you try to come clean with the committee and, most importantly, with the people of the province, and that where significant problems are pointed out, as they have been in this bill, you take the first available opportunity to say, "That's not what we



meant, that's not what we want to do, and here's an amendment to prove that that's not what we want to do," rather than continuing the fears among people that we've seen expressed through the presentations and rather than allowing those fears to continue to grow and to continue to fester. That shows a complete disrespect for the people of the province and for the process of this Parliament.

**0920**

The amendments that we've seen tabled this morning, I still don't know what issues they address. I can surmise from the media coverage what areas they cover. I hope Mr Sampson is going to at least give us some inkling of what those are. I hope we get a copy of those distributed as soon as possible. I know the clerk has copies for us, and that's good, but I think Mr Sampson said he had six amendments, if I heard him correctly earlier on.

Well, six amendments, in light of what we've been hearing are the major concerns of people of this province, unless the six amendments remove six schedules, I think don't go anywhere near the kinds of things that we need to do to be able to deal with the concerns that we've heard expressed.

So we believe that there are going to have to be further amendments. We also believe that there will be further amendments coming from the government, and if not, I think that, again, what the government members have been saying, which is, "We were listening and we're listening to what people are saying and we will respond"—well, we'll wait and see, Mr Chair. We'll wait and see, and we'll wait and see in the hope that in effect people really have been listening, that the government members have really been listening and that the government, through them, is going to be willing to respond to the things that have been said in this committee in other communities and no doubt will be said here today in Ottawa.

**Mr Sampson:** I think it's important to establish the fact that two committees were set up to review this particular piece of legislation: one to review the non-health—that's this one—and one to review the health aspect, and that committee has already been through the Ottawa area and is doing another circuit this week. The purpose of setting up those two committees is so they could operate independently in the review of this particular legislation. That is indeed what has happened. That's why there were amendments released yesterday in that committee when they felt it was appropriate and we did so today when we felt it was appropriate. This was clearly—

**Mr Silipo:** You said you wouldn't.

**Mr Sampson:** I want to speak to this point that I keep hearing from the other side of the table. They want to have it both ways, which I suppose is not terribly uncus-  
tomary of what we've been hearing so far. They want to be able to say—

*Interjections.*

**Mr Terence H. Young (Halton Centre):** Do you want the amendments or don't you?

**Mr Phillips:** Yes, but you wouldn't provide them all, you said.

**The Chair:** Mr Sampson has the floor.

**Mr Sampson:** They want to be able to say: "All right, on one hand we want you to have extensive consultation.

Our preference is you not prepare the legislation. Don't put anything down in writing. Have these consultations." They're alleging that we never had any consultations. But out of the other side of their mouth they're saying: "No, hold it. We want to see your amendments before you finish your consultation process or before you have a sense as to what the theme of the consultation process is."

Gentlemen, you can't have it both ways. We are prepared to listen. We have listened. The amendments that are on the table today have reflected that. There will be other amendments that will come forward that will reflect a general theme that we see developing. This is a process that develops as it goes, and as I said, we will be coming forward with other changes that we think are appropriate, based upon the consultations and the discussions we hear from the people who come forward and the people who write to us in written submissions.

We will be voting against this particular motion.

**The Chair:** I'd like to put the motion.

**Mr Silipo:** A recorded vote.

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Hardeman, Sampson, Stewart, Young.

**The Chair:** I declare the motion lost.

I'd like to start this morning—

**Mr Gerretsen:** Mr Chairman, on a point of order: In dealing with the last point, we've heard from the government member, not just yesterday but every day this week, that the reason why amendments couldn't be brought to this committee is that it would be unfair to those people who have already made presentations to the committee because they couldn't comment on it.

Will you, as the fairminded individual that you are, now rule that we will have to go back to those communities to give those people and organizations an opportunity to respond to the amendments that we haven't seen as yet? That's the fair way to proceed, and I know you're fair and I know you'll do the right thing. I'd like you to rule right now that they'll have to go back to those communities to have further input from the general public.

**The Chair:** We voted on those motions continuously, as you know, Mr Gerretsen, each morning—

**Mr Gerretsen:** No, this is a different point.

**The Chair:** —and the committee has voted against that, so it's not in my purview to order that.

I'd like to call on the—

**Mr Phillips:** Can we get copies for each of the committee members?

**The Chair:** The clerk provided one per caucus. Would you like one per—

**Interjection:** Can we get a copy for each member?

**The Chair:** Okay, we'll have the clerk do that.

## SOCIAL ASSISTANCE RECIPIENTS' COUNCIL

**The Chair:** I'd like to call on the first deputant this morning. Can I have representatives from the Social Assistance Recipients' Council please come forward.



Good morning, ladies, and welcome to the standing committee on general government. I apologize for the delay this morning. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain questions and responses from the three caucuses. I'd appreciate it if, for the benefit of Hansard and committee members, you'd both take some time at the beginning of your presentation to introduce yourselves.

**Ms Linda Lalonde:** My name is Linda Lalonde. I'm the policy consultant for the Social Assistance Recipients' Council. This is Deborah Andrews, and she's the advocacy counsellor at the council.

Nous regrettons qu'on n'ait pas eu le temps de traduire notre présentation en français ; on était pressées un peu, mais on est prêtes à répondre à des questions en français, si nécessaire.

The Social Assistance Recipients' Council, the SAR Council, is an organization representing the interests of beneficiaries of municipal and provincial welfare programs in the Ottawa-Carleton region. We have three means of accomplishing this.

Primarily we're a non-profit, membership-based organization run by an elected board of directors, all of whom are in receipt of social assistance or were at the time of their election. We provide information sessions and workshops as well as social and other activities to our members.

We also provide two types of advocacy services, case work and policy, to both our members and non-members. Many of the problems faced by our community are systemic in nature and it's necessary to work on two levels, both to help the individual and to cure the systemic problems. Case work services are provided on an individual or group basis on issues affecting people living on low incomes. This includes intervention up to and including the level of appeals to boards or tribunals. On the policy advocacy side, we analyse and respond to new and existing policies, regulations and legislation which affect or will potentially affect the population we represent. Hence our appearance here today. You will find a more extensive description of our organization, including our goals and objectives, attached to our brief.

We will not, to I'm sure your great relief, be addressing all the sections of Bill 26 today. We would like to specifically address schedules G, K, part I of M and to help you with your P and Q. Although we enjoy digging around, we'll leave the Mining Act to others for comment. Consistent with many previous speakers, we will also comment on process or lack thereof.

We have some strong concerns about the parts of the bill which make changes to health services, health insurance and accessibility to health care. Unfortunately, the structure of these subcommittee hearings meant that we had to turn down an opportunity to address that half of the committee if we wanted to speak to non-health issues. From the perspective of the community we represent, we see schedule G as income-related more than health-related and so have chosen to deal with it here.

Schedule G, which is the prescription drug section: We believe it's wrong to charge user fees, referred to here as

copayments, for items as essential as prescription medication. People on restricted incomes should not have to choose between maintaining their health through eating and maintaining their health through obtaining medications which have been determined by a properly qualified physician as necessary. A single person in Ontario on social assistance receives \$195 per month to cover food, clothing, transportation, job search etc, as well as any shelter costs over \$325. Should that individual become ill, they will be hard pressed to find extra money to cover medical needs not covered by the Ontario drug benefit, let alone to pay \$2 per prescription for those medications which remain covered. The longer that person remains ill, the longer it is until they're able to take employment and leave the welfare rolls.

The Ministry of Health has issued a news release in which it claims, "Half of all low-income seniors will pay \$32 or less each year and half of those on social assistance only \$8 (single) and \$24 (family) towards their drug benefits." That's all very nice, but what about the other half? I think it's reasonable to assume that it's the half who will pay the least they have chosen to highlight. Presumably if they have those figures, they also have the other figures.

Picture a woman with three children under five who is on social assistance because the father of her children refuses to pay adequate child support in spite of his financial ability to do so. All three children become ill and, in one month, require between them seven prescriptions, two of which are not covered by the drug plan at all. She also needs cough medicine, vitamins and allergy medication, none of which is covered. The doctor tells her to make sure they eat lots of fresh fruits and vegetables and drink their milk. If she has been able to find housing, including utilities, for \$602, she has \$631 to pay all the other expenses for the four of them. If her housing costs are higher than \$602, the balance comes out of the \$631.

**0930**

It is wrong for the minister to have the ability to take price into account when determining which drugs will be covered by the Ontario drug benefit. The drugs which are listed should be there because they are the best or most effective at curing disease, not because they are the cheapest. By all means, if there is a less expensive alternative which does the same job, it should be used, but drugs should not be listed or delisted based on price alone.

It is wrong to deregulate the cost of prescription drugs. Many people assume that "those welfare people" get all their drugs for free. This is not true. Many drugs are not covered or are only covered in certain dosages or strengths.

I can remember getting a prescription for my own daughter when the Ontario drug benefit would only cover the 10 milligram size of a drug, which was normally only prescribed for adults. She was to have only 2.5 milligrams. Visualize yourself trying to break a small, round pill into four equal parts. The alternative was to pay for the smaller pills myself, which I could not afford.

In other instances, the drugs are not covered at all and there is no alternative drug covered. This means people



have to find the money or do without the medication. If the controls on prices are removed, the choice will be much simpler. It will also more often be to do without the medication.

It is not a saving to the government in the long run to restrict people's access to medication. The costs of further illness, hospitalization and longer stays on social assistance will more than offset any savings to be had by charging user fees for the Ontario drug benefit. They will of course be difficult to measure and even more difficult to attribute to the reduced access to the Ontario drug benefit and so will never appear anywhere on a government balance sheet. They will, however, appear on human balance sheets and on hospital sheets across Ontario.

Now going to schedule K, which is the access to information piece, in a case where a person's request is refused as frivolous or vexatious by the head of an institution and that decision is later overturned on appeal, the cost of the appeal should then be deducted from the fees payable for access to the record, we believe. This would provide a disincentive to the capricious exercise of the right of the head of the institution to refuse access. There's a great potential for this to be used as both a delaying tactic and a way of driving up the cost of accessing a record, thereby making access to information the purview of those with the financial means to pursue it.

There should also be a requirement that the institution disclose to the individual in advance what the cost of accessing the record will be and then obtain consent to proceed with a further consent required should the costs be greater than expected. This would be similar to the process you go through when you take your car in for repairs. Otherwise, the individual, who may not know the size of the record or the time required to prepare it, has no way of knowing what the bill will be. If the individual cannot or will not pay those costs after the fact, the government may lose more money than it stands to gain by blocking frivolous and vexatious requests.

I'm now going into the Municipal Act section. The Municipal Act is of course one of my favourite pieces of legislation. Starting with section 1, in subsection 25.2(1), the definition of "locality" should end "or the county of Oxford," as does the French version and the same list in the definition of "municipality." This is to prove to you that I actually did read the bill, you see.

There is no requirement anywhere in this section that the citizens of a municipality be consulted in any way before they are restructured. We've gone through a process of "restructuring" recently in Ottawa-Carleton, and I can certainly tell you that had that restructuring been imposed entirely by the province without consultation with the citizens, you would have a very unhappy populous here to talk with you today.

Section 10, which refers to section 220 of the Municipal Act: We're opposed to user fees or charges since they have historically impacted more seriously on low-income people than on those in a higher income bracket. They do not take into account ability to pay or access to any alternative or equivalent service. For example, fees to access public swimming pools in the summer do not equally impact people with private pools or cottages and poor families living in the inner city with no transporta-

tion. It has also been the case that fee subsidies or exemptions are either not accessible or known or the application process is so humiliating and complicated that people do not use them.

Again, there is no requirement that the citizens of a municipality consent to such fees or to direct taxation. Unless and until a direct tax has been put before its citizens, the municipality or board should not be able to levy it.

Section 257.5: It is unreasonable for the minister to have the power to retroactively make regulations which require a municipality to either return revenue that it has raised or to use that revenue in a particular way. It will be extremely difficult to budget responsibly at the municipal level if, one year later, the minister can change your revenues without notice or, apparently, appeal.

Schedule P, which is the section that refers to the parole board: We question the efficiency and cost-saving possibilities of this proposal, since every time you fail to reach agreement with two people you will have to do the whole thing over again. This would mean four people, instead of the current three, hearing the matter and potentially the delay of parole being granted. This will result in the individual concerned being lodged at taxpayers' expense for an extended and unnecessary period of time. Also to be considered here is the effect on the individual's rehabilitation of such a discouraging delay.

Schedule Q, which is the arbitration section: We're seriously concerned by some of the criteria being proposed as measures to be considered by an arbitrator. If an arbitrator is to consider the employer's "ability to pay in light of its fiscal situation," will the arbitrator also look at the decisions which placed the employer in that particular situation?

For example, if the employer rolls back taxes—I understand that may happen somewhere near us—thereby reducing its revenues and "ability to pay" and then cries poor, should the employees have to bear the brunt of that action? If the employer has taken some imprudent action which has reduced its ability to pay, should the employees have to pay the price? Why is there no reference here to the economic situation of the employee or to the employee's need for employment?

The quality of our public services in Ontario should be a concern of every citizen but are a particular concern to those who do not have access to the alternatives, that is, private schools, private security forces and that type of thing.

We're going to address the process issue now. We've been disturbed by some of the actions of the government surrounding Bill 26. We're also disturbed by some of the provisions found therein. Although it does not always work to the benefit of the poor, we are committed to democracy and the concept of open, accountable government.

It is disconcerting to see a government introducing the largest, most comprehensive legislation we've seen in many years at a time when the official opposition party was not in the House and the governing party was well aware in advance that it would be absent. They then proposed to hold hearings immediately before Christmas, a time at which many organizations and individual



Ontarians were unavailable or previously committed. These hearings were to be held in Toronto at a time when travel arrangements are difficult, if not impossible, to make. The government needs to understand that even if their intentions were not questionable, perception is often as important as reality.

**Ms Deborah Andrews:** We are very glad to have the opportunity to address our concerns with you directly today, but we are very aware that in doing so we are part of a very select group. You may remind us that most pieces of legislation don't get 20 days of hearings all across Ontario plus the Toronto sessions. I will remind you that most pieces of legislation do not amend almost four dozen unrelated pieces of legislation and enact three new ones, all of which in total represent the areas of responsibility of 10 different ministries. Had each minister presented his or her ministry's amendments as stand-alone legislation and gone through the normal committee hearings, I suggest there would have been more opportunity for Ontarians to respond appropriately to these massive changes.

We are also seriously concerned about the number of times either the minister or the Lieutenant Governor in Council is being given extra powers throughout the bill. While it may be appropriate for certain powers to rest with either the minister or cabinet, most decisions made by government should remain the responsibility of the Legislative Assembly. It is for that purpose that we elect our representatives to the Legislature and it is an important part of the system of checks and balances we have built into our parliamentary method of governance.

0940

Although this government may not have any intention of abusing it, this concentration of power in the hands of a few poses a potential danger for the future. In many cases, decisions are left to the minister or cabinet which would be more appropriately put in the hands of the citizens of the province or the municipality.

As we mentioned earlier, it was difficult for us to abandon those issues in the bill which were strictly health-related. As you know, poor people tend to require health services more often than those in higher income brackets. Any changes to that system are therefore bound to concern us more than the average person. By making it possible for groups to only address half of the bill, you have cut yourselves off from valuable input.

We would like to thank you again for the opportunity to be with you today and wish that more of our fellow citizens had been so honoured. Good luck with your deliberations, and we look forward to seeing substantive changes in the final product.

**The Chair:** We have a little less than four minutes per caucus for questions. We'll start with the opposition caucus.

**Mr Patten:** First of all, let me congratulate you on your presentation. Not only have you demonstrated a knowledge in your own area, but an astute observation of the process by which this bill has been introduced. The undercutting of responsible government is really what it is.

You may be aware that yesterday the other half of the committee tabled some amendments that said, "We'll

remove your rights for four years, until we get it straight, and then we will abandon that idea," which sounds like a smack in the face to the intelligence of people in Ontario, it seems to me.

I would like to ask you if you would elaborate a little bit on what I gather is your essential thesis, and that is that user fees essentially hurt the lowest-income or welfare recipients at best. And if I understand you correctly, you're saying we are further penalizing, with user fees, people who happen to require medication by virtue of being ill. This is your thesis. Can you describe in human terms some of that impact that you think will take place as a result of the application of these kinds of user fees?

**Ms Lalonde:** I think one of the first things that people need to recognize is that user fees are paid out of disposable income, and when you're talking about somebody who's living on \$195 a month, there isn't a lot of disposable at the end of the income.

What will happen is you will have people who will make choices to not eat in order to get their medication. They will make choices to let their rent fall into arrears. Those are the kinds of things that people are going to end up doing in order to have their medication. Or they will choose not to have the medication and they will then be in a situation where they can't go back to the doctor when they get sicker because the first thing the doctor's going to say is, "Didn't that stuff I gave you last week work?" You're too embarrassed to say to the doctor, "I can't afford the \$13.28 it would cost me to fill that prescription."

**Mr Patten:** Then we take user fees, from the medical area to libraries or to pools or other services. Then, by definition, those who have the least are whacked the most.

**Ms Lalonde:** To give you a perfect example, children from upper-class families often have encyclopaedias in the home. Children in welfare families do not have \$1,200 or \$1,500 encyclopaedias in their home. Their access to those things is in the public library, and if the public library is closing at 4:30 every night, guess where they ain't going to be.

**The Chair:** I'm sorry, we're out of time for the opposition caucus. We're in the third party's time.

**Mr Silipo:** Thank you very much for the presentation. We know that one of the main directions this government wants to take and indeed one of the main thrusts of bringing about this bill is because it wants to provide the people of Ontario with a 30% tax cut, while at the same time it's moving to give municipalities broad powers to provide a number of user fees, and originally, as we read the bill, a number of other taxing powers which I think are being now limited by the amendments they are presenting.

But I guess my question to you is this: When you look at the 30% tax cut, do you have any sense of how that's going to benefit the people you serve?

**Ms Lalonde:** For those people who are in fact paying taxes, it doesn't really matter whether you take it out of the left pocket or the right pocket. A tax is a tax is a tax. There is only one taxpayer. Certainly, the people we serve mostly will not have any benefit from that, because many of them are working at low-wage jobs where they're paying minimal taxes anyway.



**Mr Silipo:** In fact, some of the figures we've seen indicate that when you look at the income spread among the citizens of the province, something like 15% of Ontarians earn over \$85,000 in terms of family income. That 15% of Ontario taxpayers will reap the benefits of over 40% of the value of the tax cut. So we see a situation in which what is happening very clearly is that those who are well off are going to be even more well off, and those who are not are going to be worse off than they are now, because any benefit they get—the lower your income, the less is the benefit you will see from the tax cut.

At the same time, as you've pointed out, the user fees that are going to be imposed, because they're not tied to one's ability to pay and can never be really tied to one's ability to pay as user fees, are going to mean those who are least well off are going to be paying more, and likely beyond the value of whatever break they're going to get on the tax cut. Is that a fair characterization, in your view?

**Ms Lalonde:** Yes, I think it is. What's going to happen is the people who can afford to pay for the services themselves or have the services provided to them in other ways will not be affected by the user fees, and they are the people who will be getting the money back from the government to "pay those user fees."

**Mr Young:** I would like to point out that there are a number of good things for your clients in Bill 26. Actually, 87% of the people of Ontario make under \$50,000 a year. Every one of them will get a tax cut. If somebody made \$25,000 a year, they would get back around \$2,000 over three years.

**Mr Gerretsen:** No, they do not. In the Common Sense Revolution it's \$400.

**Mr Young:** Mr Chair, can I have my own time? That's one year. Over three years, in the Common Sense Revolution—I'll get you a copy, Mr Gerretsen—it's \$2,000. That \$2,000 to that family or to that individual is a heck of a lot more important than to people in the higher end of the income. So I'm very, very pleased that's going to happen. We view it as the largest job creation program in the history of Ontario. About \$4 billion or \$5 billion will stay in our economy. It'll stay in Ontario, but it will be spent by people the way they deem fit.

I don't know if you know, but 140,000 new low-income people are put on the Ontario drug benefit plan in Bill 26. Did you know that?

**Ms Lalonde:** I do.

**Mr Young:** I assume that you would approve of that.

**Ms Lalonde:** You assume we would approve of that? Well, when you look at the overall effect, which is to take money out of the Ontario drug plan and out of the Trillium plan and put more people into it, that tells me that everybody's getting a smaller piece of that pie. You're making the pie smaller and giving pieces of it to more people. Can you tell me how that's fair?

To reply to your \$25,000, I don't know anyone on social assistance even under Mr Silipo's reign who's getting \$25,000.

**Mr Young:** No, you said some of your clients work part time or have some income that they earn. So I wanted to make sure that you knew that.

**Ms Lalonde:** In part-time, minimum-wage jobs, predominantly.

**Mr Young:** You expressed your concern about ministerial power. One of the amendments that was put on the table this morning, tabled, is that the power would disappear December 31, 1999, so a little under three years. Does that address your concern?

**Ms Lalonde:** I am hoping we'll be able to get those amendments. By the way, I'm also hoping they'll cost less than the \$18.20 we had to pay for this thing, plus the money we would have had to pay for all the acts that we would have to look up—

**Mr Young:** Sorry. With regard to the ministerial power, if the ministerial power disappears in three years, would that address your concern?

**Ms Lalonde:** Why do you need it?

**Mr Young:** We need it to make change happen, but that's a big long answer, so I don't have that much time to talk about that right now.

We were told, and I'd be interested in your view, that in every other province they have small copayments for drugs for people on social assistance and it doesn't create undue hardship and they have access to drugs. Do you have any experience talking to your colleagues in other provinces, or have you ever been in the other provinces?

**Ms Lalonde:** I've been in most of the other provinces, not about this specific issue, but I can certainly tell you that just because the social assistance programs that are provided in other provinces are inadequate, I don't think that's an excuse for us to have inadequate programs in Ontario.

**Mr Young:** You know that we have a \$100-billion debt. We're spending \$9 billion a year more than we take in, \$1 million an hour in interest, and it's growing. Do you have any ideas where we can cut spending?

**Ms Andrews:** MPP pensions.

**Ms Lalonde:** My associate is suggesting MPP pensions.

**Mr Young:** We are doing that, by the way.

**Ms Lalonde:** That would have been my suggestion.

**Mr Young:** I agree and we are doing that.

**The Chair:** Thank you, ladies, for coming forward this morning. I appreciate your making a presentation to the committee.

0950

#### CHILD CARE ACTION NETWORK OF OTTAWA-CARLETON

**The Chair:** May I please have representatives from the Child Care Action Network of Ottawa-Carleton come forward? Good morning and welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain responses and questions from the three caucuses. I would appreciate it if at the beginning of your presentation you would take some time to introduce yourselves for the benefit of committee members and Hansard.

**Ms Anne-Marie René de Cotret:** Hello. My name is Anne-Marie René de Cotret and I'm the spokesperson for



CCAN. I'm a coordinator of a group care centre that has a toddler/pre-school program and I've been working in the child care field for over 20 years.

**Ms Mary-Lou James:** My name is Mary-Lou James and I'm also a spokesperson for CCAN. I'm involved in licensed home child care and am the director of a licensed home child care program. I've been involved in day care since the early 1970s as a municipal employee, when the Conservative government was in power. So I've seen a great many changes over the last 20 years.

**Ms Nancy Campbell:** I'm Nancy Campbell. I'm a member of CUPE, Local 2204, union of child care workers of eastern Ontario, and a member organization of the Child Care Action Network.

**Ms Cynthia Magloughlin:** My name is Cynthia Magloughlin. I'm a member of the steering committee of the Child Care Action Network. I'm a representative from the Ottawa-Carleton Child Care Association. I've also been involved in child care, both in group care and in parent resource centres, since the early 1970s.

**Ms René de Cotret:** CCAN encompasses the entire child care community here in Ottawa-Carleton. It includes representatives from nursery schools, Headstart programs, group care for infant, toddler and pre-school, before- and after-school care, both community- and school-based, licensed home child care, support service to both informal and formal child care providers and parents, as well as services which support the integration of children with special needs.

CCAN was formed to coordinate a lobby campaign and mobilize staff and parents to stop or minimize the proposed cuts and program changes that will weaken or destroy the child care system. We want to raise awareness in our community of the importance and economic viability of these child care services.

On behalf of our member organizations, I would like to thank you for the opportunity to appear here today. We would like to especially thank the members of the opposition parties in ensuring that these public hearings took place. As representatives of a large and diverse group of people in Ottawa-Carleton, we are appalled that the provincial government could present a bill of this magnitude and power with little public consultation. We strongly object to the way the government has chosen to present and deliver this bill. Symptomatic of this approach is the government's approach to the review of the child care system in Ontario.

Our organization represents a community with a great deal of expertise in delivering child care services to the families of Ottawa-Carleton. CCAN wants to be consulted in the review process of child care that is headed by Ms Ecker. We believe it only makes common sense to use our organization as a resource in shaping and directing the child care policy.

The Ottawa-Carleton child care community has written hundreds of letters requesting that the government consult with the entire sector on child care, and to date we have not had one formal opportunity to meet or even to talk to Minister Tsubouchi or Ms Ecker on the review process. The non-profit sector that represents the vast majority of parents' preferences and experiences has not been given any opportunity to be heard.

A government should be a reflection of its people and the society that they live in. A cornerstone of a strong representative government should be the links that exist between those who govern and those who are governed. We believe that strong communication between these two groups will lead to a government that truly reflects the needs of its people.

Bill 26, the Savings and Restructuring Act, is a very confusing, complex and generally overwhelming piece of legislation. We will therefore only address certain sections of the bill that we believe apply to us and the effects that these changes will have on our various programs. The schedules that we are concerned with are the following.

**Ms Campbell:** I'll start with schedule J, the amendments to the Pay Equity Act. The Pay Equity Act proclaimed on January 1, 1988, recognized that wage discrimination for women would not be eliminated without direct government intervention. Although the original Pay Equity Act failed to provide a remedy for the all-female workplace, amendments were made in 1993 to provide two additional comparisons. The addition of the proxy provisions finally allowed us to feel that we were included in the right to fair and decent wages that were not based on our gender.

Bill 26 will eliminate these important pay equity provisions for child care staff and other low-paid women workers. The government, through legislation, forced employers to look at the wage gap. Once recognized, it is their responsibility to deal with it.

We would like to examine the issue of pay equity and to use some examples from CUPE 2204, one of the member organizations of CCAN, the union of child care workers of eastern Ontario. We represent over 200 staff employed in 12 different community-based child care programs. We are early childhood educators, cooks, cleaners, clerical and administrative staff, coordinators, home visitors, integration advisers, teachers and supervisors working in specialized pre-school settings.

To examine what the repeal of the proxy amendment means, we would like to take an example of the impact on child care staff working for community-based child care centres. These examples from our own local represent similar situations in our community and across the province, both unionized and non-unionized.

In one of our centres, unionized since 1991, the total pay equity adjustment for the teacher position was found to be \$9.77 an hour. This means that the teachers would need an increase of \$9.77 an hour to reach pay equity. In 1994 they received the first adjustment of 22 cents per hour. This amount represented 3% of that centre's payroll. A wage gap of \$9.55 remains.

**The Chair:** Excuse me. Ladies and gentlemen in the room, I know it's a large room, but side conversations, when they get added together, become a dull roar. It's a little distracting for the presenters, so I'd appreciate it if you'd keep them down or maybe outside of the room just in deference to the presenter. Thank you. Sorry for the interruption.

**Ms Campbell:** In another recently organized centre, the total pay equity adjustment for an assistant teacher position was \$10.97. Three per cent of payroll at that



centre represents an increase of 29 cents per hour. A wage gap of \$10.68 remains.

In yet another centre, unionized since 1978, the total pay equity adjustment for a teacher position was \$3.48. Based on 3% of the 1993 payroll, 41 cents per hour was paid. A wage gap of \$3.07 remains.

The repeal of the proxy value provisions of the Pay Equity Act eliminates any further obligation to close the wage gap. Pay equity will never be realized for child care staff. There is further confusion over whether we will even continue to receive the 3% after January 1, 1997, when the entire proxy amendment is gone. What does this say about the value of these jobs? This process was a long one for staff and for boards of directors, and took a major commitment from all involved to look at and evaluate jobs based on skill, effort, responsibility and working conditions.

If the legislation were to remain in place, it would take years to achieve equity, but it is not just about getting more money; it's also about raising awareness concerning the importance and value of work performed by women. This is quite evident if one talks about child care and women's work. Society undervalues work performed by women; hence the wage gap.

We would also like to note that the latest StatsCan figures reported in December 1995 show that for every dollar earned by men last year, women earned only 70 cents.

Another major concern for us is that not only will we be losing pay equity, but our wage grants are also threatened. In 1987, the provincial government, in recognition of our low wages, introduced a direct operating grant. This was a first step in enabling programs to attract and retain qualified staff while reducing the pressure on parent fees. In 1991, a wage enhancement grant of \$2,000, later increased by \$500, was added to the direct operating grant. This additional \$2,500 was considered to be a down payment on pay equity. With the repeal of the proxy provision and the impending threat of losing the wage subsidy, a significant portion of our salaries is now threatened. With proxy pay equity gone, the province is now free to cut the wage subsidy grant. This represents over 20% of the salaries of child care staff.

We want to emphasize that all studies indicate that child care providers are the single most important determinant of quality child care. Wages and benefits for these workers must also be commensurate with the value of their work. Premier Harris and Minister Tsubouchi have stated their commitment to quality care in Ontario. What does quality care mean to this government?

**Ms René de Cotret:** To our member organizations, all children have a right to safe, stimulating and nurturing environments, whether at home, in child care centres or with home child care providers. Quality care matters very much and is especially important for children living in conditions of risk. What are the key components of good child care?

(1) The quality of the staff. They are trained and they are experienced.

(2) The stability of the staffing. We have low turnover.

(3) The group's size and child-staff ratio allow for individual attention as needed.

(4) The physical environment. It is safe, well lit, well ventilated. We have child-sized equipment, adequate space for all types of activities, significant equipment and supplies.

(5) We have nutritious food prepared by knowledgeable and experienced cooks.

(6) We are accountable both to our parents, financially, and to the public.

We are being told that Ontario cannot afford to provide this level of quality. However, professionals from many related fields have repeatedly supported our position that quality child care is vital to the health of our society and our economy. In the federal government's recent announcement of new public funding, Minister Axworthy stated, "Helping make sure children receive the quality care they need also promotes child development and contributes to the employability of the next generation."

The second schedule we want to address today is schedule M, the amendments to the Municipal Act. The child care community is already experiencing cuts from the regional municipality of Ottawa-Carleton. The provincial government was elected on the platform that there would not be any downloading of the financial burden on to other levels of government. Already, 20% of the cost of the Jobs Ontario child care spaces has been downloaded to the individual municipalities. We have been directed to cut 2.1% from our child care budgets for 1996.

In addition, low-income working families are also facing a 20% to 100% increase on their minimum fees. These are the families in our community who qualify for a full subsidy. We also fear that the introduction of user fees will further impact on all of all budgets. Libraries, parks, skating rinks are just a few of the facilities our organizations utilize in our community.

New or higher fees for fire and health inspections as well as police reference checks are being implemented. Any additional pressures on our budgets will be required to be taken directly from the supplies and services we provide to the children.

This legislation is about saving money and restructuring. We are not afraid of restructuring and reforming services. We in the child care community have been working for the past 10 years to reform the delivery of child care. This legislation is not about that. It is about cutting government spending by over \$6 billion and the downsizing of the public sector, it is about introducing user fees and other charges for numerous services previously supported out of local or provincial taxes, and it is about giving regulatory powers to provincial ministers. Bill 26 will have an enormous impact on the children and families and the staff who deliver this service.

We urge that this government listen to the people in the community who have knowledge and experience. It is irresponsible not to use the resources that have been offered and to recognize the value of our community institutions in improving people's lives.

**Mr Silipo:** Thank you very much for the presentation. I want to pursue your comments on proxy pay equity. You'd be interested to know that the only mention we've had from government ministers to this committee on this issue was two lines in the statement by David Johnson,



the Chair of Management Board, who said, "The Pay Equity Amendment Act, 1995, will put pay equity for public sector employers more in line with those in the private sector and return pay equity"—this is the key thing—"to its original principles."

One of the points the government members have continued to argue on this is that pay equity was never intended to cover and should never have been intended to cover women covered by the proxy pay equity. I continue to find this completely absurd, that the government would think it right that just because it isn't possible to do a direct comparison within the same workforce—which is why we brought in proxy pay equity, and I know something about that, having been the minister responsible for pulling the government's actions together at the time. We knew that there were about 100,000 women who were not covered by the original pay equity provisions who also happened to be, as you pointed out, among the lowest-paid women in the province. The gap that exists is still wide, and we know that even under the proxy pay equity provisions it would take a long time for people to reach equity, would take a number of years at the rate we were going.

But now what is happening is that they're just eliminating that completely. They're saying that even for the 3% they are putting in place as what will be there, there is no enforcement mechanism to ensure that even that 3% is going to be paid. If an employer wants to pay it, fine; if they don't want to pay it, there's precious little anybody can do about it.

I continue to be flabbergasted at the government's position on this. We've had amendments tabled this morning, as you know, on a number of areas relating mainly to municipalities and their powers to tax. I had hoped we would have seen some amendment dealing with this. Can you shed any more light on why it is that this government would find it logical to take out pay equity for those women who, one could argue, need it the most, who happen to be the lowest-paid women in the province? What's the sense in doing that?

**Ms Campbell:** I'm certainly not entirely sure, although obviously it's public money. I know public funding is absolutely critical to achieving equity for these women workers. The concern of the child care community is that because in some ways part of that wage enhancement grant was tied to pay equity, in order for them to eliminate that wage subsidy which is now given to child care staff, they needed to eliminate the proxy amendments. That is the concern we have, that there's some attachment to that, that it may be the reason.

**Ms Magloughlin:** In other words, not only the 3% is at risk but a far larger portion of staff salaries, which, remember, are in the range of \$16,000 to \$30,000 at the upper end. These are not high salaries by any means.

**Mr Silipo:** So you see very clearly the wage enhancement disappearing after the proxy pay equity provisions are rolled back?

**Ms Magloughlin:** That's one of our fears, and there's no indication otherwise.

**Mr Silipo:** Here in the Ottawa-Carleton area, as in the Metropolitan Toronto area, proposals have been made to the federal government or are being discussed with

respect to changing the funding structure for child care. My understanding is that part of that obviously will require the provincial government, through the Minister of Community and Social Services, to agree to allow that flow-through of funds. Can you update us on where things are? Has Minister Tsubouchi given any indication that he's willing to let that happen?

**Ms Campbell:** We have no indication that anything is in the works. I should say that although Metro Toronto, I believe, does have a pilot project and is looking very seriously at accessing federal dollars, we're not quite at that place in Ottawa-Carleton yet.

1010

**Mr R. Gary Stewart (Peterborough):** Can you tell me, do you have a cap for assistance for child care in Ottawa-Carleton? Is there a cap on the amount of money you can make and still get assistance?

**Ms Magloughlin:** There's an upper limit, but the way the assistance is delivered at this point is that a lengthy review process is done looking at a person's income and expenses. When you reach a certain income level, no matter what your expenses, you would no longer be eligible for subsidy. It's based on what the family—

**Mr Stewart:** Can you tell me what that would be in Ottawa-Carleton?

**Ms Magloughlin:** No, I don't know offhand. I'd say maybe \$60,000, but remember that assistance varies, so someone at the upper end might receive a very small amount of assistance.

**Mr Stewart:** The reason I ask is that in the area where I'm from I have a family with one child and their gross income is \$62,500. They get an 80% subsidy. Do you people feel that is fair?

**Ms Magloughlin:** One of the elements we've looked at in child care reform is to move from this cumbersome process of assessment to an income basis so that there'd be fees set depending on what your family income is. Then, if you choose to spend that income frugally and save, that's your business; if you spend it by having a higher mortgage and car payments and that sort of thing, that's also your business. Regardless of what your income is, you would have a certain fee.

**Mr Stewart:** I guess that's my concern. We've got to go back to what we're talking about on Bill 26: the ability to pay. That is probably the greatest factor there is. It is my understanding that day care originally was for those low-income people, and the unfortunate thing now is that there are so many high-income people getting day care subsidies, there are not spaces available for the low. Would you agree with that?

**Ms Magloughlin:** No, I wouldn't. In fact, 50% of families using licensed child care spaces in Ontario are full-fee-paying families. I feel that mostly the high-income families are paying the full fees.

**Mr Stewart:** But they're getting subsidized as well because of the wage enhancement. Everybody using day care today is getting a type of subsidy because of the government. That's where some of us are coming from, that you just can't continually pay; we've got to start looking at the ability.

The other thing I'm concerned about in your presentation is that it tends to be zeroed in very heavily on the



wage factor. If we're dealing with children and day care, our primary concern should be the children themselves, whether they be in a public facility or a private facility. As you know, under the plan the Conservative government presented in the election, we were going to look at private day care. For many of us around this table, long before day care as we know it now arose, we used private and it worked very well. The problem we have is that I hear people say no, it's no good at all. I'll give you a story, for instance—

**The Chair:** Mr Stewart, I'm sorry, I'm unable to let you tell your story. We have to move to the opposition's time.

**Mr Phillips:** I appreciate your presentation. As we look ahead at the kind of Ontario this government wants, I gather the "Save Al Leach" amendments we saw today are going to, though it's not clear, restrict the gas taxes that may be put on municipalities. Make no mistake about it, many municipalities expected that. Now they're going to have to put more on to fees, no question of that. Municipalities were promised, in return for a dramatic cut in their money from the province, that they would be able to make up, through fees, the lost revenue.

And make no mistake about where the fees will be. In fact, the famous Al Leach, when he was before the committee, said—and I want you to listen carefully to this because it indicates the government's approach—"I was very encouraged to hear that the mayor plans to seek corporate donors to sponsor such activities as library use, swimming in public pools for underprivileged children. Statements like this convince me that our trust is not misplaced." That's the kind of Ontario the government obviously is looking forward to, where young people who do not have the financial resources somehow or other have to get what amounts to charity; they have to find a corporate sponsor to use the library. I wonder if your organization would care to comment on that as the model of the future caring, compassionate Ontario we're going to see.

**Ms Magloughlin:** I am personally very frightened for the children of Ontario, for my own children and for low-income families. I was explaining to my daughter this morning on the way to school that she may have to pay a fee to use the library. We are a low-income family—I'm a single parent—and I know she feels extremely reluctant to have me ask for subsidies in any way so she can participate as her classmates do. The thought of her having to get a subsidy to use the library and swimming pools and that sort of thing is just horrifying to me, humiliating to her. I don't know if that answers your question.

**Mr Phillips:** Yes. The purpose of this bill is to allow the government to implement its Common Sense Revolution. A cornerstone of that is that they are going to cut \$8 billion out of the spending, 25% of the spending. They say it's to fight the deficit, but \$5 billion of that \$8 billion goes to a personal income tax break, and \$2 billion of that \$5 billion goes to people earning \$85,000 or more. I wonder how your organization feels about this "deficit fight" we're all in when you know that for every \$8 they cut from you, \$5 of that goes to fund a tax break, where the more you make the bigger it is, and the ones

who really benefit—if you're making \$85,000 or more, you're going to get a large chunk of that. Is that something you are able to easily explain to people when you're being cut?

**Ms Magloughlin:** My understanding is that fuller employment in this province is one of the things that will ease the recession we seem to have been perpetually in for quite a long time. Our feeling is that an enhanced child care system, an expansion of the child care system, will support people working or receiving training so that they're able to work. I don't see at all the logic behind threatening the child care system and therefore allowing fewer people to find work.

**The Chair:** Thank you, ladies, for coming forward and making your presentation to the committee this morning.

#### OTTAWA-CARLETON BOARD OF TRADE

**The Chair:** Will the representatives from the Ottawa board of trade come forward. Welcome, gentlemen. You have half an hour to make your presentation which you may use as you see fit. You may wish to leave some time to entertain response and questions from the three caucuses. Please introduce yourselves for the benefit of committee members and Hansard.

**Mr Howard Williamson:** My name is Howard Williamson. I'm the chairman, of the Ottawa-Carleton Board of Trade. With me is Willy Bagnell, who is the president. Our organization has more than 650 business groups in the region and more than 1,100 individual members of the board of trade.

We're very pleased to be here this morning to spend a few minutes with you. I don't think we'll be taking up a great deal of your time. A lot of what you will hear from us is what you've heard from other boards of trade across the province. What I'd like to do is go through a couple of key points and then turn it over to Willy Bagnell, who's had some more time to go through the actual bill itself.

In general, the board of trade supports the initiatives set out in the bill; for example, public sector salary disclosures, the innovative tax credit of 10% concerning scientific research and experimentation done in Ontario. However, it's probably no surprise to you that we have some concern about giving municipalities and local boards broad powers to impose fees or charges in services or activities. I understand there has been something tabled this morning which deals with that. That being said, I'd like to turn it over to Willy just again to reinforce to you the position of the Ottawa-Carleton Board of Trade.

1020

**Mr Willy Bagnell:** There's no question in our mind that the introduction of an omnibus bill to the Legislature at Queen's Park is not new to governments. We've all seen the media coverage of this outlining what the previous two governments have introduced, and I'm sure many governments before that.

Bill 26 puts forward many different changes which will streamline government operations in the province and assist Ontario in returning to the role it played for many years as Canada's economic engine. We know that fiscal



prudence is fundamental to achieving this goal. The Ottawa-Carleton Board of Trade has been a vocal proponent of balanced budgets for the public sector for many years. We have been calling on Queen's Park to balance the budget and eliminate deficits for too long. We believe, like any business, managing public finances to break even, or profitability, is long overdue.

We are concerned about one aspect of Bill 26 which we understand has been for the most part tabled this morning, but I would like to review a couple of our notes. We do not believe that giving potential taxing and levying authority to municipal governments is a good idea. We do not want an escape. We want taxes maintained or lowered in the province so that business can compete, hire more people and add to the wealth of the province. I believe the amendment this morning covers a great deal of that, and we thank the government and the members of the committee for listening to the public.

Just as an example here, what has been going on while you have been travelling around the province listening to the input, the bureaucracy at regional government headquarters has been investigating ways to find a way to levy a gasoline tax and a special licence fee on automobile users in Ottawa-Carleton, which should substantially make our business community less competitive than anywhere else in the province. So we're happy to hear that can't happen, and I'm sure most of you are too.

If there's any indication that this principle of pay-as-you-go is going to work forward, then we're going to support it as a board of trade or the chamber of commerce or metropolitan Ottawa. We believe that this clarification this morning is a positive step and we support the government's move to balance the budget and eliminate Ontario's \$99-billion debt. Thank you.

**The Chair:** Thank you very much, gentlemen. That leaves plenty of time for questions. We have about seven minutes per caucus for questions, maybe eight. We'll start off with the government caucus.

**Mr Sampson:** Thank you for coming this morning. I find your comment about the gas tax rather interesting. I don't see the date here, but I think it's this morning's paper. Did you have a chance to read what the federal finance committee is recommending to the Minister of Finance here in Ottawa with respect to gas taxes?

**Mr Bagnell:** I think both Howard and I were still reeling from the opening of the Palladium last night, which was a monumental economic event in our community.

**Mr Sampson:** I'm happy to hear the Palladium opened. I'm sorry that you didn't have a goal last night but I'm sure they'll be working on that in future nights.

**Mr Bagnell:** We tried everything we could.

**Mr Sampson:** I'm going to suggest to my colleagues across the floor that they might want to take a few minutes in our break to tippy-toe across the street and ask the Minister of Finance whether he's prepared to accept the recommendation that they jack the gasoline tax up in this country by half a billion dollars.

**Interjection:** There's only one taxpayer.

**Mr Sampson:** This is of course coming from a party that for the last two weeks has been telling us that gas tax is a no-no. We'll have to see whether or not they're

prepared to support their kissing cousins up here in Ottawa.

I want to ask you, though—the thrust of the bill that we've laid in front of the people of Ontario is basically an attempt to try to move governance responsibility and authority for the spending and the raising of money as much as possible to the local level, because it's our view that's the level that is better able to respond to the local needs and concerns and issues of the citizens in the area. Do you have any problem with that thrust? Does it sort of fit with the chamber of commerce's view of life?

**Mr Bagnell:** I think the concept of local people in local businesses and taxpayers controlling their destiny is a good one. But until we straighten out the fact that we have more elected representatives in Ottawa-Carleton than you do at Queen's Park to govern the province, I think we would be a little wary of dealing with that. We have two tiers of government here that we've been dealing with for a long time and the board of trade has long been a proponent of streamlining inefficiencies. So in principle, obviously local control of government is a good thing, but we have a number of other pieces of baggage on our cart right now that need to be straightened out before we divest ourselves.

**Mr Sampson:** With respect to the delivery of services, for instance, do you not agree that it would be better and far more efficient to have the person responsible for the delivery of services also be the person or the body responsible collecting the money to pay for that service? Does that not make sense to you? Is that something you would buy off on?

**Mr Williamson:** I refer back to the principle the board of trade has, which is that we're concerned about the cost of doing business. If what it takes to reduce that cost is for transfers to be cut and that forces local municipalities and the governments to streamline their business and what they're into and define what their core business is, we're in favour of that. At the end of the day, what the board of trade wants to see is less government, less government intrusion into the business community and a lower cost of doing business. I guess when we look at it from our side, and from my experience, I have found that if you give government organizations the ability to tax and to impose user fees, they will do that. That is our great concern, because if the whole principle now in the province of Ontario is to cut the cost of government, then we feel this is an appropriate way to do that.

**Mr Sampson:** We've heard in one of the locations we were at—I may have lost track of time here but I think it was last week—"You know, right now we can only charge \$20 to license a restaurant but it costs me"—I think the number was \$250.

**Mr Phillips:** Five hundred.

**Mr Sampson:** Well, \$250, \$500. He'll—

**Mr Gerretsen:** No, he said \$500.

**Mr Sampson:** Whatever the number was, \$250 to \$500. I'm not too sure he really knew what the total cost was to license a restaurant, which might be another problem.

But if it does cost \$500 to license a restaurant, what would be the chamber's view of giving the municipality authority to charge the \$500 to pay for the cost? Other-



wise, presumably somebody else is paying for that cost: the local hardware store or the local grocery store or the local taxpayer who never goes in the restaurant. Does it not make sense to be able to say to the restaurant: "Well, you're using \$250 or \$500 of municipal services. That's what it costs. That's what you're going to pay"?

**Mr Williamson:** I think there are two issues here. The first position the board would take would be to ask why it's costing that much to do the job in the first place. That's a legitimate issue, and I think we would have to take a look and see why it costs that much, and if it does cost that much, then they have to find out why it's costing so much and reduce the cost.

**Mr Sampson:** Right, but the neat feature of this is that the restaurateur is going to say: "What do you mean, it costs \$250 or \$500 to issue a licence? What's going on here?" In fact, that may encourage the municipality to say, "Well, we have seven people who have to sign off on this one document," and of course the dialogue may encourage that seven to go to a much more reasonable number. But if you don't focus on the C in the class you'll never solve the problem, and the problem, we've all realized, is that governments have been spending with not a terribly strong recognition of where the money's coming from and whom they should be accountable to.

**Mr Bagnell:** I don't think we can speak on behalf of other jurisdictions, but in Ottawa-Carleton the fear that the business community has is very much that if that type of authority is given, the accountability for balancing the budget will be circumspect, because they won't ever lower anything, they won't ever look for efficiencies; they'll just keep raising and coming up with new ways of charging more levies, more fees and higher taxes.

Presently, we in Ontario have lost our position as Canada's number one economic engine and we want it back. We think the way to do that is to balance the budget and lower taxes and get the economy moving again by letting the private sector create employment. When you start talking about the real cost, it's just like the real cost of delivering public transportation. In the private sector we've proven time and time again, in many models in the United States and Europe, that the private sector can deliver the same service at much-reduced rates and a higher quality. We hope some day that message will get through.

1030

**Mr Bernard Grandmaître (Ottawa East):** I assume that the board of trade agrees with the way the bill was introduced in the House, with no consultation and also preventing you people from having a say in this bill. Now, today you're saying that you do approve of Bill 26 but your biggest concerns are user fees, licence fees and levies, and you trust that the local governments, if they're given this power—and they will be given this power to raise licence fees and levies and use all kinds of user fees. On page 2 of your brief you say that you're a little concerned about this power given to municipal governments. You trust them, but you don't trust them. They will use these user fees as a tax.

As a follow-up, I don't know if you're aware of subclause 257.2(2)(f)(i) of the act, which says, "requiring the payment of licence fees, which may be in the nature of

a tax for the privilege conferred by the licence or for the purpose of raising revenue." Are you in favour of this?

**Mr Williamson:** Let me just take a step back. I'm not sure, on the second point of your question. The first issue, on how the bill was introduced, we're here to discuss business issues, not political issues. All I can say is that I think the fact that we're here today is due to the fact that the opposition responded the way they did and we now have hearings across the province. I think that's excellent, but to me it also proves that democracy does work.

The second part—

**Mr Phillips:** They just said it wasn't democratic.

**Mr Williamson:** We're here saying that we do not favour those powers being given to local municipalities. I wasn't clear on what your point was there, Ben. Sorry.

**Mr Grandmaître:** As you know, this bill will allow municipalities to raise levies and licence fees and so on and so forth. You're saying that the municipal government shouldn't have this power and that it should be taken out of this bill. Is this the message?

**Mr Williamson:** Yes, that's correct. It was our assumption this morning that there's been an amendment made that this is taking place.

**Mr Grandmaître:** Well, no. This amendment that was tabled this morning doesn't prove anything. It could be challenged. Have you spoken to Peter Clarke about your difference with Peter Clarke about imposing a one-cent tax per litre and also a dollar on rooms? What are your thoughts about that? Have you spoken to Peter Clarke about this?

**Mr Bagnell:** No, but we did speak to a great deal of our membership, who pay our fees. As you're aware, Ben, we're not funded by regional government; we are completely funded by our membership.

**Mr Grandmaître:** I realize that.

**Mr Bagnell:** We respond to their needs. Our membership has had an overwhelming response of support to this position.

**The Chair:** Mr Patten and then Mr Chiarelli.

**Mr Patten:** Thank you for your comments. I'd like to zero in on the aspect of your last statement, which was, "We believe that the present level of authority for our local officials is more than sufficient for them to govern the municipalities and cities of the province." Earlier on you expressed your worry, and Ian Cunningham from the Ontario Chamber of Commerce made a similar point: the real worry about the taxing authority that municipalities will have now and the broad base of what that may mean; also, of course, what that may mean for business, the authorities of the municipalities to raise revenues related to business. That's the basic thrust of your message, is it not? So do you suggest that the authorities for that kind of taxation be rescinded from the legislation?

**Mr Bagnell:** I think at the outset Howard said very convincingly that our position was put forward that we don't want the municipal governments to have any more authority to levy taxes, fees. You can call them what you want; to us they're taxes and that's the way the business guy looks at them. When you code it in your general ledger it goes to taxes, whether you like it or not. We don't want the municipal governments to have any more



authority to do that. Having just briefly read the amendments that were put forward this morning, I think that accomplishes that. Now, of course, neither of us are lawyers, and if you put two of them in a room, they can have two different opinions.

**Mr Robert Chiarelli (Ottawa West):** Gentlemen, I have a question concerning restructuring local government. As you know, there are provisions in the bill which give the province the authority to restructure by cabinet order. There is an amendment which basically says that any one municipality can request that and set that process in train.

My question to you is, are you prepared to live with the power resting in the hands of the government simply to pass a cabinet order restructuring Ottawa-Carleton? They may consult with you; they may not consult with you. They may consult with the local municipalities; they may not consult with the local municipalities. It's at their discretion. But they have the ultimate authority to pass an order restructuring the government in Ottawa-Carleton. Do you feel comfortable with that in the bill?

**Mr Williamson:** To answer your question, that issue's been discussed at great length already in the region over the last number of years. We feel very strongly that reform needs to take place. I don't see any reason to think that it won't take place and that one municipality won't recommend that. It's my understanding now that the province has that authority. Is that not correct?

**Mr Grandmaître:** No.

**Mr Williamson:** What authority do they have at the present time?

**Mr Chiarelli:** They have to pass a bill.

**Mr Grandmaître:** That's right. They need a bill from their local municipality.

**Mr Bagnell:** So for all intents and purposes what we're saying here is that they're passing the bill now as opposed to waiting two or three years to say, "We're going to restructure government in Ottawa-Carleton"; put the Legislature and the government through far more costs in the process to do the same thing that we could accomplish now.

**Mr Chiarelli:** No. What they're saying—

**The Chair:** Sorry, Mr Chiarelli. We're into the third party's time. I apologize for interrupting. Mr Silipo.

**Mr Silipo:** Thank you for the presentation. I just want to be clear about your position in a couple of areas. First of all I just wanted to point out, you said you were in support of a couple of areas I think dealing with amendments to the Corporations Tax Act and other provisions, which I'm happy you are because those were in fact provisions that we brought in under the previous government and which now are being enacted, and we certainly support those parts of it as well.

Your basic bottom line is, if I have understood it correctly, that you don't believe there should be any more powers given to municipalities than exist today to impose any additional user fees, taxes—as you said, "Call them what they will, they're all taxes" to you. Have I got that right?

**Mr Williamson:** That's correct.

**Mr Silipo:** In fairness to the government, despite our criticism of the way in which they've done this, it's clear

that the amendments they've presented us with today appease some of the concerns you would have if they were to allow municipalities to impose additional user fees or taxes. I would urge you to take a good look at them because, I would say to you, as I take a first read at them, they don't allay all of your fears.

I don't want to raise things that may not be there, but I'm not sure for example—it's clear to me that they're saying municipalities can't impose income taxes. I think it's clear that they're saying municipalities can't impose poll taxes. I'm not as clear about the gas tax. I'm serious about that; I don't know if that's the intent. If that is, I hope that gets dealt with, because I'm genuine about that. When I read the amendments here I'm not sure that "property or service" is how I would describe gas, and I think there's just a problem with that. But if the intent of the government is to say municipalities can't impose gas taxes, then wonderful. That's something that obviously we've been saying needs to be there.

When it comes to licence fees, I think again what's in here is useful in the sense that they are limiting the application of licensing fees somewhat in terms of saying it can't be in the way of a direct tax, as the present wording suggests. All of that is useful.

1040

There are a number of other areas in the bill that give municipalities broader powers to apply user fees. So I guess my question to you would be this: If in fact your position is, as it clearly is, that no additional powers should be given to municipalities, why do we need at all, do you believe, any of the provisions that are in this bill that relate to user fees or taxes of any kind? Why do we need to have any legislative change if what you're saying we should do is just basically, with respect to taxes at the municipal level, maintain the status quo? Do you think there's any need for any changes to the legislation?

**Mr Williamson:** Again, the amendments that you discussed this morning we saw for two minutes. The only comment I can make as far as whether it has appeased our concerns is that it seems to be moving in the direction we were recommending. Beyond that, I can't tell you whether we're completely satisfied with what has taken place. That needs, as you say, a more clear understanding of what it is that they have on the table. Our position has been that there should be no additional allowances for user fees and permits.

**Mr Silipo:** So you would certainly support any move that would be required to essentially leave the taxing powers for municipalities and the powers of municipalities to levy user fees at what they are currently.

**Mr Williamson:** That's correct.

**Mr Silipo:** I think that's quite useful for us to be clear about. The only other area I want to pursue, and it's really by way of comment, although I would certainly welcome your reaction to it, is when you say that other governments have also brought in omnibus bills. That's true, that's happened, but I certainly don't recall in my time in the Legislature any other bill that sought to have as many significant changes as this one and, at the same time, particularly to do that with little or no public debate as was the intent originally of the government. I think that's the other significant change.



Certainly Bill 175 is one that the government members like to continue to raise. That was not a bill that had a lot of significant changes in it. There was a lot more house-keeping to it, and in discussions with the opposition at the time, the bill went over from one legislative session to another in order to give people a chance to take a look at it and deal with it properly. I just wanted to make that point to you as well.

**The Chair:** Thank you, gentlemen, for coming forth this morning to make your presentation to the committee.

#### ONTARIO RESTAURANT ASSOCIATION

**The Chair:** May I please have representatives from the Ontario Restaurant Association come forward. Good morning, gentlemen. Welcome to the standing committee on general government. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and responses from the three caucuses. I'd appreciate it if, at the beginning of your presentation, you took some time to introduce yourselves for the benefit of Hansard and committee members.

**Mr Paul Oliver:** Good morning. The Ontario Restaurant Association welcomes the opportunity to present the views of the restaurant and foodservice industry on Bill 26. I am Paul Oliver, president of the ORA, and I'm joined this morning by Phil Waserman, a local restaurateur and immediate past chair of the association. In the submission which has been handed out, background on both the association and our views on Bill 26 are outlined in detail.

I would draw your attention to appendices A and B, which contain detailed proposed amendments to Bill 26. Appendix A contains a series of standalone amendments and B contains a comprehensive amendment. We have had these drafted to assist the committee in bringing the required clarity to this legislation, which is needed so that the wording reflects what the government says can and can't be done as a result of this legislation.

Rather than read our submission to you, we felt it would be more productive to simply highlight a few of our views and hopefully leave adequate time for questions and answers.

The Ontario Restaurant Association recognizes and supports in principle the purpose of Bill 26, that is, to achieve fiscal savings, to promote public sector restructuring and to facilitate economic prosperity.

While supporting the objectives of Bill 26, the ORA has serious concerns about the new powers that will be granted to municipalities under Bill 26 by way of changes to the Municipal Act. These changes will dramatically enhance the licensing, regulatory and direct taxation powers of Ontario's municipalities to the detriment of consumers and small business.

The ORA believes that these changes do not reflect the guiding principles of the Progressive Conservative Party as embodied in the Common Sense Revolution and Mike Harris's small business task force report. As well, we feel that these amendments to the Municipal Act are not in keeping with the overwhelming purpose of Bill 26, that of creating economic prosperity.

The specific concerns of the restaurant and foodservice industry focus on sections 220.1, 257.2 and 257.7. These legislative sections, when combined, represent a major and fundamental departure from previous municipal powers and responsibilities. Our concerns focus on how the new powers granted to municipal government will impact and limit the operating abilities of small business throughout Ontario.

In particular we are concerned that Bill 26 creates an environment in which even competing businesses could have different rules and different regulations, which in turn will distort fair competition and create an unlevel operating environment.

The ORA is also very concerned about the possibility that municipal governments will utilize new powers granted under Bill 26 to implement indirect sales taxes which detrimentally impact consumers and will inhibit the economic prosperity which is the objective of this legislation.

I will ask Phil to discuss our concerns regarding changes to the municipal licensing powers.

**Mr Phil Waserman:** In terms of municipal licensing powers, this issue is not new. Much of what is being discussed today was already debated in December 1994 when the previous government of Ontario passed Bill 198.

Bill 198 granted municipalities the power to impose conditions on a business licence, to include revoking, suspending or imposing special conditions on the business licence of an individual operation. This included limiting the hours of operation for individual establishments. These powers, which are currently part of the Ontario Municipal Act, have a number of important constraints placed on when and how they are exercised.

Municipal governments could only impose conditions on individual businesses if the business operator is found not to be operating with honesty and integrity or according to the law. This principle is abandoned under Bill 26. As well, in the present Municipal Act the exercising of these powers requires a hearing as well as providing for an appeals process. This principle is also abandoned under Bill 26.

The ORA participated in the standing committee hearings on Bill 198. At the time all three political parties supported the existing Municipal Act, as amended by Bill 198, that required a hearing before a special individual condition is imposed on a business operator as well as the requirement that honesty and integrity be a determining factor.

Bill 26 removes both the hearing and the appeal process and does not place meaningful limits on how or when a municipality can impose special conditions on an individual business's licence. We believe this new regulatory power creates the potential for a massive proliferation of regulatory red tape and the enactment of unfair and unequal competition.

The ORA believes that the exercising of special conditions on individual businesses should continue to be based on honesty and integrity. This is the only way in which uniformity and a level playing field across the province can be achieved.



Under the proposed changes in Bill 26 a municipality could impose a special condition on a licence, limiting its operation to between certain hours on certain days of the week. We believe this is unnecessary and very dangerous, as municipalities will not be required to justify their actions. The very idea that the Bay department store could have a different closing hour imposed on it that its competition over at Eaton's is inconceivable but possible under existing wording.

This uncontrolled power could also be used as a supplement to zoning powers or changing political desires. By effectively eliminating the grandfathering provisions required in municipal zoning, the uncertainly created for small businesses will have a profound and fundamental impact on small business financing.

It is important to remember that during hearings on Bill 198, all three political parties, including the Progressive Conservative Party, expressed concerns with Bill 198. Specifically, Conservative and Liberal caucus members objected to the broad powers given to municipalities to issue, suspend, revoke or impose conditions on an individual business licence, as the circumstances under which this power could be used were not specific enough.

The ORA was therefore surprised to see Bill 26 abandon the controls placed on the implementation of limiting conditions on individual licences. We hope and believe that this must be a technical drafting problem which needs to be addressed. We have proposed an appendix A and appendix B that require changes to ensure the balance presently contained in the Municipal Act is maintained. Without this amendment, the uncertainty and red tape created by these provisions will be overwhelming to small business.

**Mr Oliver:** Much discussion has taken place regarding the potential for municipal governments to impose direct sales taxes or direct consumption taxes on consumers. The ORA agrees, especially in light of amendments this morning, with the view put forward by Ministry of Municipal Affairs officials that it is unlikely that a municipal government could effectively impose a direct sales tax under section 220.1.

This does not mean that a consumption-based fee could not be imposed on consumers. Other provisions contained in Bill 26 would allow for a consumption tax or a consumption fee which would have the same impact on consumers as a direct sales tax. From our perspective, if it walks like a sales tax, if it looks like a sales tax and if it impacts like a sales tax, then consumers will see it and treat it as a sales tax.

Bill 26 creates two mechanisms by which an indirect tax could be developed and imposed. It is our view that the indirect tax mechanisms would be constitutionally defensible and would sustain a judicial challenge.

Under section 220.1 a municipality may pass bylaws imposing fees or charges on any class of persons "for services or activities provided or done by or on behalf of it." This section also provides for charges or fees that are in the nature of a direct tax for the purpose of raising revenue.

1050

Potentially, under this section of Bill 26, a municipality such as Metro Toronto or Ottawa-Carleton could impose

a fee charge of 1% or 2% of gross sales on hotels, restaurants, retail and other tourism-related activities which would be justified as paying for services provided by the municipality to market or promote tourism and convention business.

The net impact of this initiative would be to add 1% or 2% of the cost paid by consumers, regardless of whether they were tourists or not. The effect would be similar to that of a municipal sales tax being imposed on consumers, but it would be defensible because it would be treated as a direct fee, and thus constitutionally valid.

The ORA feels that when section 220.1 was drafted, it was intended only to apply to direct services received by a person or a business, such as garbage collection, and not to be applicable to a fee for an allocation of blanket funding for abstract services such as marketing. As such, the ORA would urge this committee to amend this section of the legislation by clarifying that fees for services must only apply to services directly received by an individual or a business.

The other and more important area for an indirect consumption charge is under section 257.2, in which local municipalities are given the power to pass bylaws for licensing, regulating and governing any business carried on within the municipality. As part of this structure, municipalities can charge licence fees "for the privilege conferred by the licence or for the purpose of raising revenue." I understand that the "for the purpose of raising revenue" was deleted today; however, we still believe that the principle can stand.

These changes are significant and profound in that current licensing fees are limited to reflect the licensing cost, and not "for the purpose of raising revenue." As well, existing wording refers to a singular—"the fee"—while Bill 26 makes reference to "licence fees" in the plural. These changes, while minor in appearances, are profound in impact.

These amendments mean that licensing fees no longer have to be tied to the cost of licensing or regulating a business but can be solely developed to raise revenue. As well, the change to make fees plural creates the potential, and this is most important, for a variable or volumetric fee structure, such as a licence fee being applied or tied to a percentage of gross sales by a business.

Potentially, under section 257.2, a municipality could establish that a licensing fee for a restaurant is a variable fee in an amount equal to 1% of gross sales. In effect, this would amount to nothing more and nothing less than a consumption-based sales tax. This same principle could apply, in our view, to gasoline taxes.

It is our view that the indirect/direct tax scenario just outlined would be constitutionally valid under section 92(2), (9), (13) and (16) of the Constitution Act of Canada if implemented as part of a valid licensing structure. Technically and legally, this type of fee structure or licensing cost would not be a sales tax, but since it would be volume-based, the impact on consumers none the less would be the same as if it were a sales tax.

The ORA believes that this type of variable fee or consumption-based fee would be legally defensible because it would be considered "in the nature of a direct



tax" on the merchant and, as such, would be sustainable under section 92 of the Constitution Act.

Legal precedents would substantiate this view. The ORA would draw the committee's attention to the Supreme Court ruling in *Allard Contractors v District of Coquitlam* and four other applicants. In the Allard case, the issue of whether a variable or volume-based fee was a direct or indirect fee or tax was examined. In this case, the district imposed a volume-based licensing fee on the removal of gravel. Allard argued that the variable licensing fee was an indirect tax on the consumers of gravel because it was reasonable to expect that licensing costs per tonne would be passed on to consumers.

The Supreme Court found that this type of volumetric charge or tax was valid under section 92 of the Constitution Act because it was ancillary or adhesive to a valid licensing regulatory structure. The Supreme Court ruling could be interpreted to justify the implementation of a volumetric licensing fee being implemented under Bill 26 amendments to the Ontario Municipal Act.

It is interesting also to note that the Ontario Ministry of the Attorney General at the time, as well as the ministries from three other provinces, sought intervenor status in the Supreme Court case to support the argument that the province and, in turn, the municipality did in fact have the licensing powers to implement volume-based fees under the Constitution Act.

In conclusion, to recap, the Ontario Restaurant Association is very concerned about the new and unrestricted licensing and regulatory powers as well as the power to implement consumption-based taxes and charges that would have the same functional impact as a sales tax. It is our view that the potential outcomes were never intended by the government of Ontario. Unfortunately, existing wording contained in Bill 26 would enable these undesirable impacts.

I am certain that the government could bring forward more legal views or other opinions as to how these provisions of the Municipal Act could be or would be or may be interpreted by the courts. But the reality is that you are the legislators as well as the creators of the law. It is your responsibility to ensure that new legislation is crystal clear and that there is no potential for misinterpretation. We should not rely on guessing how the courts will interpret this legislation, just as it is unrealistic to create a legislative structure which is premised on an ad hoc ministerial intervention through regulation.

Bill 26 creates the potential for judicial misinterpretation. To avoid these misconceptions or misunderstandings, the Ontario Restaurant Association strongly urges this committee to introduce the required amendments so as to bring clarity to this legislation.

**The Chair:** Thank you, gentlemen. We have a little more than four minutes per caucus for questions. We start off with the opposition caucus.

**Mr Gerretsen:** Let's make no mistake about it. This was the deal. I'm a former municipal politician and I know that municipalities for years have been asking for more powers. The deal is that the province wasn't going to give them as much money as in the past, they were going to be cut off by about 50% from provincial grants over two years, but they were going to get more powers.

All municipalities want it, AMO wants it, just about every municipality we've heard of wants it.

It's all right for the government to say, "Our amendments now don't exactly do this, because people are against gas taxes, they're against income taxes, they're against sales taxes." The bottom line is that municipalities are going to have more powers and they will need them in order to supplement the income that they're losing from the province.

They only have two choices: either a reduction in services or they're going to find new ways through fees, licences or whatever they can think of that this act will give them to make up for the shortfall in revenue that they're getting from the province, and I think that's the basic premise of your presentation.

We can get into all sorts of legal opinions here as to their lawyers are saying this and our lawyers are saying that. The municipalities love this because they are going to get more powers. Do you have any comments on this at all, sir?

**Mr Oliver:** We would strongly urge this committee to close those loopholes or those potentials for a massive tax grab, tax increase, at the municipal level, because we would see some of the fee increases, some of the direct cost allocation, things like that, as nothing more and nothing less than a tax increase.

**Mr Gerretsen:** But you realize, of course, the municipalities would like that because they want these powers.

**Mr Oliver:** We would rather see the municipalities be faced with the issue of having to restructure and get cost savings out of restructuring rather than just passing it—it's all one taxpayer out there.

**Mr Gerretsen:** Exactly.

**Mr Grandmaitre:** You're absolutely right. Members of the government reminded us this morning that there's only one taxpayer in the province of Ontario. What the government is trying to do is cover up for the lack of transfer payments to municipal governments and blame the municipal politicians, municipal government.

This will force automatically amalgamation in Ottawa-Carleton, because some of our municipalities, as you know, can't afford to go on the way we've been governing in Ottawa-Carleton. So now the provincial government has the power to amalgamate and to restructure Ottawa-Carleton without your benefit, without your being consulted.

That's the power the government wants. It wants to restructure not only the GTA area but our 13 regional governments in the province of Ontario and download the power of taxation to local governments and also to downsize local government. I don't think you people will be winners in the long run once this bill is in effect, because municipalities will not use that power wisely; they will use it for their benefit.

**Mr Oliver:** One of our big concerns is that the current constraints placed on municipalities in exercising licensing powers, which were supported by all three political parties at Queen's Park on Bill 198, are being eliminated in here. Part of that was the appeals process, the hearing process. The things that the previous government ensured were in that legislation to protect small business operators from having arbitrary action are real concerns.



This could override zoning. Zoning says you grandfather existing practices. Under this, all you say is, if we want to move this commercial business, we can't under the zoning act, so we'll put such onerous conditions on it that it'll go out of business and we'll say we're never going to issue a licence for a department store or a restaurant or any type of business that we don't want there in the future.

For the small business operator, their appeal is to go to the court, but if they're already out of business, there's no sense in doing that. Previously, it had to be honesty, integrity, and there had to be a hearing before those were implemented.

1100

**Mr Silipo:** Thank you very much for the presentation and also for having gone to the trouble of presenting us with amendments. I think it will be useful for us to go through them and to see how we can use the specific amendments.

If I have understood you—and I just want to make sure that I have on one of the basic points that you make, because I think you made two or three key ones—one in particular that I want to make sure I've understood is that with respect to the application of what I guess you call at the end of the day a sales tax, whatever it happens to be called here, your concern is that even with the amendments the government has suggested, it would still be possible for municipalities to apply what in effect would be a sales tax, based on the volume that a particular restaurant would do in business. Have I got it right?

**Mr Oliver:** Yes. We only received these shortly before our presentation. We've had a chance to go through them, speculating as to what some of the changes may be. The changes relative to section 257 say that in setting the amount of the fee charged for a licence the council shall take into account the cost of administering it. But a large construction case said that it doesn't really matter whether it's a direct fee or cost relative to actually going in and inspecting, in this case, the gravel pit, because the municipality in that case came forward to the Supreme Court and said: "We have to build roads, we have to maintain roads, we have to do this. The roads are being used by the gravel trucks. Roads are being used by tourists to come to hotels and restaurants, things like that." The court isn't specific on that.

We don't think that the amendments that have been introduced address those tightly enough to prevent that type of consumption tax. Some of the amendments we've proposed we think would tighten it down to ensure that those types of volumetric licensing fees are not imposed, and that's going back actually to what's in the legislation now that talks about a singular fee.

There was a comment earlier, and I can't remember from whom—they were talking about if a municipality came forward and said it wanted to charge a \$500 fee for licensing a restaurant, then the restaurant could say, "How did you come to that?" Under the current legislation there's no mechanism for them to ask for or demand or expect from the municipality information on how that fee is arrived at.

One of our amendments says that if someone is impacted by a licensing fee or a charge, they have the

right to ask for, in writing, how that fee is arrived at. Those are the types of information that we want to see for our operators, so that if Guelph decides to impose a \$500 licensing for restaurants, we want to know whether it's a realistic fee. Now if they imposed it and we went to them and they said, "Pay it or don't operate in our town," we're left with having to pay it. It doesn't force the restructuring that the government wants to talk about. If you want to force the restructuring, you get as much information out about these new fees as possible.

**Mr Silipo:** Certainly the licensing fees, in your view, would have to not, as the amendment here from the government suggests, simply take into account the costs of administering or enforcing business licensing bylaws, but, I would presume from what you're saying, be limited to the costs of administering.

**Mr Oliver:** Yes. We would actually change the government's amendment from "shall take" to "must take into account," and then we would also go back to the singular fee, because we don't want to have these volumetric fees which are allowed under a plural system. The government says that it isn't the intention to have volumetric fees. We say that you've got to bring the clarity to it to make sure that's very clear, because you've changed the wording from what's in the legislation now to what will be there in the future.

**Mr Ernie Hardeman (Oxford):** Good morning, gentlemen, and thank you for your presentation. First of all, I want to thank you for the comment. You suggested that it was not the government's intent, earlier in your presentation, to tax gasoline and to allow income tax and so forth. I want to point out that the minister made that exact comment when this committee work started almost three weeks ago, that that was not his intent and if that was the way some would interpret it, he would be prepared to make amendments that would clarify the situation; not that legal opinion would allow the charging, but to make sure that we did not end up in court by some thinking that we could and some thinking that you couldn't.

I want to go, first of all, to the issue of licensing and the ability to charge cost recovery on licensing. Your position is that it should be clarified even more that it is in fact that, total cost recovery, but your association is in agreement with the mayor of Guelph, who suggested that if it cost a municipality \$500 to issue a licence and to maintain that licence for a restaurant, the fee for that licence should be allowed to be \$500.

**Mr Oliver:** We couldn't conceivably see how it would be \$500. The example would be, Metro Toronto says it costs it \$75 to process a licensing fee for a restaurant, but it don't do anything with the information. They don't do inspections, they don't do administration. It's a rubber stamp. If it costs you \$75 to rubber stamp an application that comes in, 100% granted, they don't do the inspection, it's done at the city level, we would say you don't do cost recovery at \$75, you just get rid of that licensing requirement. But this legislation doesn't force the municipality to do that. It doesn't require them to move down. What we want to do is know how they get at that fee. If it's \$125, they come forward and say, "That's our fee." We need to know how they arrive at that. Why is it costing them that?



**Mr Hardeman:** So your association would support the payment of the total cost recovery on the licence if the municipality put forward documentation to justify the cost.

**Mr Oliver:** We would support reasonable fees, but we don't think the municipalities are ready to implement reasonable fees yet. What we have is an unstructured municipal level, and now the cap is coming off. If you keep the cap on those licensing fees, you force the restructuring and then you can take the cap off. Don't take the cap off before you force the restructuring because the cost base is still there. All we'll see is this high cost base rather than a restructured government.

**Mr Hardeman:** The issue of the ability to charge taxes beyond the allowable ones—and the amendment that was proposed this morning requires that a bylaw cannot be passed if it covers a use for the purchase or consumption by a person or property other than property belonging to or under the control of the municipality or local board that passes the bylaw. Would that indicate to you that you could not charge a fee or anything for something that was being bought or sold?

**Mr Oliver:** That's under section 220, our concern is under section 257, which is the licensing side. When we started our presentation we didn't think, even without these amendments, you could do it under 220.

**Mr Hardeman:** Would you suggest that would not allow the taxation?

**Mr Oliver:** No, that does not clear up the concern. Our concern on 257 still stands that you could impose an indirect sales tax or consumption-based tax under the licensing system because it's adhesive to the licensing structure.

**Mr Hardeman:** The last comment I'd like to question you about: You referred a number of times to restructuring, and obviously the first part of the M section deals with restructuring government and proposals and so forth. The region of Ottawa-Carleton is exempt from that section, or is not included in that section by reason of the fact that it did restructure a number of years ago when it became the region. Would it be your position that they should be included? We've had a number of requests from regions who are excluded from that section that believe there is a need for that type of process in the regions.

**Mr Oliver:** I wouldn't try to comment on that. The previous presenters had commented that they didn't think the Ottawa-Carleton structure was restructured enough because they had too many politicians for the number of people. I would defer my comments on that to their presentation.

**The Chair:** Thank you, Mr Hardeman, for coming in on the government time for questions.

Just before I let you go, maybe to your chagrin I'll make sure that committee members know that this is the appendix, which is the amendments from the restaurant association.

**Mr Oliver:** Unless you want to just adopt them holus-bolus.

**The Chair:** They look pretty official. I just wanted to clarify that. Thank you very much for coming forward this morning and making your presentation to the committee.

1110

KEN RUBIN

**The Chair:** May I please have Ken Rubin come forward. Good morning and welcome to the standing committee on general government. You will have half an hour this morning to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain responses and questions from the three caucuses. I'd appreciate it if for the benefit of Hansard and committee members you could introduce yourself at the beginning of the presentation.

**Mr Ken Rubin:** I just submitted to the clerk a supplementary brief, which I hope the members have gotten. A few weeks ago I submitted a main brief. My name is Ken Rubin. I've been a resident of Ontario for over 25 years. I'm a public interest researcher and a consumer advocate. The main area that I'm here to speak to in Bill 26 is—because I've been active as a watchdog for the user of local and provincial freedom of information and privacy legislation, I have a lot to say because it's directly under attack in Bill 26. May I add that it's a recipe for disaster.

I know that there will be government amendments to withdraw some of the concerns I have, such as charging for personal information files and the possibility that there will be tightening-up measures for access to individual health records. I'll still want to examine those amendments to see whether they go far enough, whether they in fact tighten up what the problem is. I still today will voice my opposition to those proposals, as they still remain.

My position is that all matters dealing with freedom of information and privacy should be withdrawn from Bill 26 and that the government should introduce improvements to strengthen, not weaken and emasculate, freedom of information and privacy legislation.

Let me start on the privacy side. I see 10 million-plus Ontarians whose privacy is threatened by Bill 26 as follows:

First, there is in schedule E of Bill 26 the introduction of mandatory—I'm not reading from my briefs, by the way—electronic vehicle devices for travel on toll roads. These devices can be used to trace people's movements and can be capable of calculating speeds of travel more effectively than the cancelled photo-radar program could have. Introducing one mandatory electronic device can open the door to legalizing and using all kinds of electronic tracing and surveillance equipment. Community street video cameras checking for unusual activity and voice-activated computers listening in on work performance are but two examples. Obviously, delete schedule E in terms of that provision.

Second, Bill 26, in schedules F, G and H, offers inadequate privacy protection for Ontarians' health records. Unless the restrictions are much tighter in how the data is used, how it's transmitted and whether it's transmitted in an anonymous, non-identifiable fashion, privacy of such records will greatly suffer.

Third, if the 1-800 snitch line to report possible welfare fraud can still stand without proper, fair informa-



tion practices, why should I believe that any amendments forthcoming will end snooping on people's health files?

Fourth, as a replacement to photo health cards, Management Board, the very agency that's responsible for administering and giving direction to freedom of information and privacy, is examining the use of a multi-use ID card for Ontarians. One ID card for health, driver's licences, welfare assistance, voting etc. You tell me whether this government is reconsidering its privacy invasion tactics or not.

Let's move to the freedom of information side, where there are many opportunities provided to increase secrecy and whittle away at the public's right to know.

First, there are increased fees in schedule K that can be a deterrent at the local and provincial level to seeking government information. In my written briefs, I outlined what needs to be done so that Ontarians will have reasonable fees and reasonable credits and waivers on the other side of the ledger that encourage, not prevent, such access.

Collecting fees, particularly for personal information, is counterproductive and hardly a significant source of revenue. Most of the government propaganda would cost 20, 50 times as much.

Second, in schedule K, exiling users from freedom of information on the grounds determined by bureaucrats that such requests are frivolous or vexatious is totally unacceptable. Delete it. It is targeted at a few known users—Mr Rabinovitch, Mr Riley, as I say in my brief—just as the Apotex clause is. Totally unwarranted, totally against the civil liberties of this province. Only in the rare case of overwhelming evidence of abusive use after a full public hearing by the Information and Privacy Commissioner should a requester be, on case-by-case basis, refused access, not for a lifetime, not exiled from the right that every other citizen in this province is entitled to.

The manner to deal with any difficult, but not necessarily abusive or malicious, request is to explore the request with the requester and, where necessary, to use the mediation offices of the information commissioner. As it stands, any unknowing or infrequent users could be targeted for exile, from an opposition politician to a pesky citizen.

Third, there is in schedule K the lowering of the record identification standards, instead of improving what the public knows about agency records. Greater routine disclosure is not going to happen as a result.

Fourth, there is a gift of total confidentiality in schedule O when it comes to data submitted to the government from the mining industry that needs overturning. Why bother catering to special interests? Corporate secrecy is already well entrenched in the legislation. Delete schedule O in that context.

Fifth, there is enabling legislation in schedule M, the municipalities section, to grant local bodies the ability to charge more taxes and user fees without a requirement that this be done in open meetings after public discussion and debate and sufficient cost-benefit review. I wonder if this bill is subjected to a cost-benefit review.

Some of the agencies like hospitals, universities, social service agencies that would further pick the taxpayers'

pockets are not subject to freedom of information at all. The records about their fund-raising schemes can remain totally secret. Taxation without representation: Remember that? Yes. That's what this is.

I have, as a frequent freedom of information user, been able to uncover meat inspection reports in this province; one continued use of DDT, if you can imagine; occupational health violations of companies—named companies; the sweetheart deals at SkyDome that contributed to enormous public debt; and the fraudulent deal made between the soft drink industry in Ontario and the giants Pepsi and Coke and the government to continue using at least 30% refillable bottles in exchange for public assistance on an expensive blue box recycling program. One other example: the tremendous investigative cost of over \$8 million, after false starts and missed opportunities, to bring Paul Bernardo and Karla Homolka to the courts.

The Freedom of Information and Protection of Privacy Act, however in need of reform, can be used constructively with persistency and commitment. Don't do that to me and others. There's over 23,000 of us in this province. There won't be 23,000 if you do this to this act.

I'd like, in the way of conclusion, to go back to the general aspects of Bill 26 and review certain inconsistencies found in Bill 26 that contradict the government's electoral promises. Bill 26 allows for increased government powers, for instance, in how the health delivery system will work: Order the doctor there, order the hospital closed there. The Harris government promised less government, so I think.

Bill 26 allows for further tax initiatives, ie, increases, and user-pay charges when the government promised tax cuts. I'm used to politicians; I've been around for 30 years. Bill 26 promises cost savings, but in the long run by lowering standards, for instance, and retaining tougher restrictions on the use of environmentally sensitive land, conservation land and forest, the cost to the future environment Ontarians will enjoy will be much, much, much greater than any short-term revenue achieved.

#### 1120

Government and people, I agree, need to conserve more and be less wasteful. If that was the message of the Common Sense Revolution, hey, great. But I don't see it in Bill 26. But this does not mean you have to cater as you do in Bill 26 to special interests or put forward a mix of poorly drafted ingredients. The recipe—I said it was a recipe for disaster—need not be disastrous, a mix, if you will, to use an analogy, of legislating people on to cheap tuna without service or assistance or proclaiming the virtues of bologna, when father knows best without the true state of special wining and dining by the few who are in need of government regulation and not government largess.

I make a plea here to the committee, and later today I'll be going down the hall to the alternate hearings to make a plea there, because there are two Ontarios today and Bill 26 increases them, and I don't like that. I want a cooperative Ontario. I want to see this committee recommend abandoning the worst features of Bill 26. I suggest a constructive, not a destructive or an emasculation of freedom of information and privacy—I want a



constructive program to rebuild cooperatively a better, more conservation-oriented Ontario.

**The Acting Chair (Mr Ernie Hardeman):** We have slightly over five minutes per caucus for questions, starting with the third party.

**Mr David Christopherson (Hamilton Centre):** I enjoyed your presentation very much. One of the difficulties with this particular bill is, as anyone will know who's followed the hearings, this is so complex and there are so many crucial areas where the government's making changes that quite frankly none of them are getting the full attention that they should. Earlier today we had some attention on the pay equity and the changes to the proxy method. These are critical areas to large numbers of Ontarians and they're just not getting the attention that they should. I thank you very much for coming in and focusing on this one, relatively small in terms of the number of words and references in the law, but critically important in the lives of the average citizen.

I would want to also point out, because it's important, and you make the point, that this government ran on a platform of a more open, more accountable government, a more transparent government that people could see and understand and comprehend. The fact of the matter is that this isn't the first time they've monkeyed around with the freedom of information and protection of privacy information. Bill 7, which was the anti-worker bill that this government rammed through the House that replaced the Ontario Labour Relations Act, contained changes to the freedom of information act and there was no focus on that, to the point where the freedom of information commissioner had to send letters to all members of the Legislature drawing to their attention these changes and his concerns that information that otherwise was available to the public would now be shut down. So I think we're beginning to see a trend that this government, quite contrary to what they said they would do in the election, is very keen on making sure that less and less of what government does is available for public scrutiny.

I want to thank you again for coming forward and commenting on this particular bill. I wouldn't mind hearing your thoughts on how you see—because obviously you have great expertise in this area—new technologies that are on the horizon coming into play. Your comments here reflect technologies that are known now. With the law as it now exists and the changes that are proposed, I suspect that you would want improvement to the existing law, let alone stopping the watering down of the rights that citizens have now. What sorts of things are you concerned about in terms of new technologies that perhaps are on the horizon but are going to be with us very soon?

**Mr Rubin:** Technology is moving very rapidly—and by the way, the Information and Privacy Commissioner, I think, has done a pretty good job in trying to highlight some of them, from faxes to e-mail to AIDS testing. There's a whole bunch of confidentiality issues which, by the way, include the private sector. Quebec has just passed legislation that incorporates the private sector into the privacy legislation because they recognized that a lot of the technological invasion these days occurs then. There was a legislative committee that suggested constructive changes to this legislation.

There are a lot of threats, but I guess the concern is if you have a 1-800 snitch line, if you have a multi-user ID smart card, the linkages, the possibility's there. So what if you abolish photo radar but you have a better device inside the vehicle that can still capture, if the technology is geared that way, the speed of the person? It's much more damning.

I think that it's high time that Ontario—and I know it's a big issue—the last government, by the way, goofed up considerably on privacy issues. It's not just the current government. I think a lot of us have to learn about this.

**Mr Stewart:** Shame.

**Mr Rubin:** Well, I'm just trying to be nice to everybody here, I guess.

But I will say one thing, in your earlier comments, and that is, even the previous presenters, the Ontario Restaurant Association, one of the things that I had done from the region was get health inspection reports of restaurants, and there was third-party notification and there was a whole series of articles on that. Do you think I'm still going to get that or have to pay whoops of money to find out if people are getting poisoned in restaurants? It's that kind of thing. There's a rebound effect here.

**The Acting Chair:** Thank you very much. That concludes your time. We'll turn to the government. Mr Young.

**Mr Young:** How much time?

**The Acting Chair:** Five minutes.

**Mr Young:** I don't think that's vexatious or frivolous. I think that's important information and I believe you'll be able to get that information. There's a well-worn definition of vexatious and frivolous in common law that I believe will be applied and you'll be able to get the information.

But I would like to comment on technology, because it's my background and I share your concerns about privacy. We've investigated this. Technology can also help protect privacy if it's used properly, and if you wanted to trace someone's movements—you put here that you can trace individuals' movements using electronic devices—you could easily stand on the side of the road and write down their licence plate number.

In investigating the new devices, the devices that will be used for the toll highway use high-speed, encrypted data communication, digital data communication, and the individual is not identified. It's the transponder ID number. It contains no information with regard to the holder of the transponder. As well, the transponder is normally not on. It comes on for a split second when you enter or leave the highway. These are some of the things we've looked into and, as I say, I share your concern and my fears are allayed with regard to the toll highway.

But I did want to ask you about—

**Mr Rubin:** Do you want me to comment on that, by the way?

**Mr Young:** Sure, please.

**Mr Rubin:** Because, listen, I don't see it in legislative writing that the transponder that you say will occur anonymously, you can make that technology in reverse and make it identifiable, and until I see the bottom line that there's adequate privacy protection and you've made it mandatory for some God-unknown reason, I don't buy into that.



It's just like, I think Mr Harris will probably introduce electronic bracelets for prisoners. Well, in all the jurisdictions that it's been tried, there's a downside to it. It doesn't necessarily work. Ontario, a few years ago, thought about it. Well, I can just see him hopping into bed with that kind of thing, too.

**Mr Young:** The smart cards, in my view, offer a number of very, very progressive benefits. For instance, we know that one out of four seniors who enter hospital is overmedicated. If a senior were to switch doctors and going to be taking drugs that didn't match and would actually hurt them, the pharmacist putting it into a computer, a smart card, could discover that. It might save somebody's life down the way—we have to think about saving money, too—most importantly the patient's health, so there are some big advantages to that.

But what is the difference between a government smart card with encrypted data, and the current bank cards, the ones that almost everybody uses right now? What's the difference?

**Mr Rubin:** Well, for one thing, one is voluntary and one would likely be mandatory. That's a big difference. The tradeoffs that you want on your privacy, I guess, are what you feel about your own personal identity.

Yes, I agree. There are a lot of possibilities out there and the private sector isn't covered. Therefore, those bank cards are totally unregulated. I think they should be regulated. I think there are potential abuses.

1130

**Mr Young:** Have you heard of any abuses? Have you heard of any problems?

**Mr Rubin:** Well, I'd have to go and get my cases, but, yes, I certainly have. But I don't have the particular cases. But even on the smart card, yes, it may be coming, but unless you put the restrictions on these things, they're going to be abused. This is the big problem.

**Mr Young:** Also, you said that the public will not be guaranteed access to relevant meetings and records on local agencies. Now, I've had constituents come to me—I've only held office since June 8—saying they go to the conservation authorities or they go to the library board and they get to say their piece for five minutes and they totally ignore what they have to say and then they have no recourse whatsoever. Under the new law, they'll have a recourse. They'll be able to go to their elected officials, the people they vote for, and that will be their recourse. That's where the accountability will be. Don't you see any benefit to that?

**Mr Rubin:** Well, I do. I haven't held office for 30 years, but I've been watching governments for 30 years, and I'll tell you, if I was the local school board and I wanted to go in private and discuss the budget or go to an information retreat or what have you, I would. There's nothing that says: "Hey, you have to have minimum requirements for open meeting standards. You have to release, and it isn't an exception to release, the meeting minutes of that subcommittee that dealt with the budget." This is the problem.

I'll give you one other example. I mentioned the Bernardo case. I believe it's your Attorney General who has asked that Justice Campbell review the case in terms of problems. Guess where that report is going to? It's a

judge who's doing it. It's going to the minister; it's not going to be a public document. It can be subject to deletions under the freedom of information act.

This is the problem we're facing. We need more freedom of information. The public has to know on the local level, which will be much more greatly affected by the fees, and on the provincial level what's going on. Hey, we want to save the Harris government making wasteful mistakes too. I'm ready to monitor it.

**The Acting Chair:** That concludes the time for the government side. Mr Chiarelli, for the opposition.

**Mr Chiarelli:** Mr Rubin, I want to ask you some questions relating more to general principles rather than specifics. I think most people would acknowledge that you probably have more expertise and experience in this area than anybody else in the room, unless there's somebody else I'm not aware of. But I would like to lean on that experience and look at some general principles. I'm going to ask you several related questions at the same time.

First of all, there's the issue of interpretation of government mandate. We know the government was elected and it had a platform and it wanted to accomplish certain things. One of the ways they chose to do that was Bill 26, the most drastic withdrawal of legislative authority and acquisition of cabinet and Premier's office power. I feel that the government is under the impression that it has been democratically elected to be a dictatorship for four years, to do whatever it wants, to accomplish whatever it wants. They wanted this bill to get through in two weeks; they're now talking about amendments which might reach into the hundreds, very, very significant amendments which never would have seen the light of day had the democratic process not won over. So I would like you to comment on interpretation of mandate in that context.

Also, I'd like you to indicate, in the context of a government that wants to work that way, also restricting access to information the way this bill does and intruding on personal privacy—it's doing that in the light of cost savings and revenue—what is the order of magnitude of cost to the government of access to information which would drive it to want to add additional user fees and the appeal process etc and restrict that access to many people? In other words, could there be a secret agenda to withhold access rather than to be really controlling costs and looking at fiscal responsibilities?

Given the government's interpretation of its mandate, given the cost to the government as a tradeoff against the right of the public to access information, what is your interpretation of what is happening with access to information and freedom of information in this bill, in the context that I'm talking about at the present time?

**Mr Rubin:** I think the first thing I'll say when you called me an expert is, I may with this kind of a bill become more of an expert because there'll be fewer Ontarians—I mean, it's a complicated system, a cumbersome system right now. It needs improvement. My whole belief is that part of the need for it is that anybody and everybody in Ontario should use it. It may be a little more overwhelming for those on the receiving end, but why shouldn't you just be able to walk in and over the counter get information?



You don't need experts. You shouldn't need experts. But the legislation right now unfortunately does that. But with these amendments, with the fees and with the possibility you could be declared frivolous with the lack of more specific record identification, it's going to make it more difficult for users, particularly on the privacy side where, hell, you're applying for your own personal information and somebody wants you to pay for your own personal information.

The health inspectors are going to have access to your records, so if you want to see your records to check whether they've been in on your records, you pay a fee for that privilege. If you want to correct those records to make sure the information which could be inaccurate is accurate, you'll pay a fee for that. Kind of ironic, eh? Even if you don't get any record at all, you'll pay a fee for the information. Kind of strange.

As for the omnibus feature, listen, I prefer on the positive side to see omnibus legislation on freedom of information and privacy. For instance, on the freedom of information side, I believe that the notions of open meeting requirements, the citizens' initiatives, the freedom of information and a host of other things should be linked together in one bill. The previous Ontario governments have introduced those things separately. I think you can positively use an omnibus concept to bring together, and although I see the intent of the Harris government to try and cost-save and bring these together, they get a failing E because they just put too many things together and didn't look at the implications.

For instance, to answer one of your questions, they had to do a cost-benefit analysis on freedom of information, a look at the revenue they get, which is less revenue as the fee increases. In the United States under the freedom of information the cost of the whole darn administration of the act is, from what everybody says, like the cost of the military marching bands. Let's put this in perspective. I mean, it isn't a great cost program. You don't get, unlike other areas, great revenues. I can see highway tolls—that's a great revenue. This is puny. What you're doing is you're deterring people from applying.

So a cost-benefit analysis of this whole bill, as I said in my presentation, would have been a healthy idea, because not only the implications—hey, I hear very loud and clear that a lot of different groups have come from health to restaurants, municipalities, all have concerns because so much has been put together.

**Mr Chiarelli:** It's not a reasonable tradeoff then.

**Mr Rubin:** Well, it isn't, and on the freedom—

**The Chair:** I apologize for interrupting, gentlemen, but we've come to the end of your allotted time. We still have another witness to hear. I want to thank you for coming forward today and making your presentation to the committee.

#### CRAIG McNAUGHTON

**The Chair:** May I please have Craig McNaughton come forward. Good morning and welcome to the standing committee on general government. As you may have heard me say before this morning—I noticed you sitting there—you have 30 minutes today to make your

presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for responses and questions from the three caucuses.

**M. Craig McNaughton:** Monsieur le Président, mesdames et messieurs, je m'appelle Craig McNaughton. J'habite à Ottawa depuis 16 ans avec ma femme et mon fils. J'ai travaillé tout récemment comme directeur général de la Fédération canadienne des études humaines.

J'aimerais vous remercier pour m'avoir donné l'occasion de vous présenter quelques recommandations concernant le projet de loi 26. J'ai quatre recommandations à mettre en discussion. J'imagine que j'aurai besoin d'un maximum de 10 minutes pour faire la présentation.

#### 1140

Recommendation 1: Public review of Bill 26 should be extended in an effort to secure a collaborative fiscal strategy.

A decision to extend these hearings would be very well received by many Ontarians. A lot of individuals and organizations are concerned about Bill 26, and obviously only a few have had an opportunity to speak to you.

My own suggestion is that continued public review of the bill include a series of substantive meetings in each of the areas of major concern raised by Bill 26. In areas such as hospital restructuring, medical costs, municipal taxation, drug costs, access to government information, we need to get all the relevant experts, public officials and concerned citizens together in an urgent and public-minded effort to work out some sort of consensus. Right now, there is no consensus. Significant groups and sectors in the province are strongly opposed to the bill, certainly in its present form, but this opposition to Bill 26 does not mean there is no agreement on the need to tackle the deficit and debt problem.

In its brief on Bill 26, the Ontario Hospital Association clearly recognizes the seriousness of the financial situation facing the province and its hospitals. It also presents carefully reasoned and extensive amendments to Bill 26. The government needs groups like the OHA and the Ontario Medical Association on side before it passes this or comparable legislation. If it takes a couple of months to get everyone on side, so be it. The objective—working out a consensual and pragmatic response to the province's financial crisis—is worth the investment of time, energy and money.

What is the alternative? Basically, for the government to proceed on its own without the broad spirit of cooperation, compromise and innovation needed to succeed in its effort to reorient the province's economy. We need a collaborative effort to work out a financial strategy for the province.

Recommendation 2: The government must act promptly to eliminate the risk of an exodus of medical professionals from the province.

Health care questions are being taken up by the other set of hearings, but I want to flag one key point. I would rather not have to travel to the United States or another province to find health care for myself and my family.

Dr Byron Lemmex, president of the Academy of Medicine and a family physician here in Ottawa, made the point eloquently here last week. Bill 26 will accelerate the departure of Ontario physicians. They are already



leaving and they are already cutting back medical services in response to Bill 26.

We cannot afford this loss of human capital, nor can we afford steady demoralization of the medical community. The government must move on an urgent basis to restore relations with the doctors and other members of the medical community. Renewed partnership is the best tool for confronting health care costs.

Recommendation 3: Bill 26 should be reworked to differentiate more clearly between local and provincial responsibilities.

Finance Minister Ernie Eves has stated that the bill is intended to "help us build a new relationship with our transfer partners with clearer distinctions between our roles, improved accountability and more local-level decision-making," yet there appear to be quite a few measures in the bill that actually undermine local responsibility in favour of centralized planning and control from Queen's Park.

In the area of hospital management, one provision removes the necessity for getting approval for bylaws passed by hospital boards, while another allows the Minister of Health to pass bylaws from Toronto, thereby undermining the responsibilities of hospital boards. That's in the OHA brief.

Another case in point: Bill 26 proposes a new section 25 in the Municipal Act that would expedite restructuring—for example, annexations—of municipalities. Section 25.2 starts out well enough, outlining how municipalities can opt to send restructuring proposals to the minister as long as they have proper public support at the local level. But then section 25.3 runs in the opposite direction. Cabinet or the Minister of Municipal Affairs will be able to force restructuring proposals on municipalities. One-person commissions can be created, and these commissions may, in turn, pass orders to implement their own restructuring proposals. These commission can also charge their costs to the municipalities.

This latter provision seems like a recipe for constant and unnecessary turmoil, and it seems to undermine the more traditional principle that local communities should decide the shape of local government. In short, despite the bill's objectives, there appears to be a real danger of inefficiency and diffusion of responsibility. The bill should be reworked to make it clear how local and provincial responsibilities are to be balanced.

Recommendation 4: The proposed restrictions on freedom of information should be replaced by a simple administrative measure allowing reasonable budgetary ceilings.

Schedule K of Bill 26 deals with the fact that a few individuals in the province have run up sizeable bills making unreasonable requests for government information. Unfortunately, Bill 26 does this by creating a new category of "frivolous or vexatious" requests. Heads of ministries are now to be allowed to decide whether a request can be denied as being "frivolous or vexatious." Any problems with such decisions are to be taken up in formal appeals to the Information and Privacy Commissioner.

The problem here is obvious. The terms are too vague and the opportunity for disputes over the legitimacy of

requests too real. It would be much simpler to introduce the principle that the right to obtain government information needs to be moderated by a reasonable annual allocation of time and money per requester.

In an October 1995 appeal decision that dealt with complaints by the London Police Services Board about frivolous and vexatious requests, Tom Wright, the Information and Privacy Commissioner, came up with the solution: you distinguish between a citizen's ongoing statutory right to information and the "means available for seeking to realize that right."

If you need to go past a reasonable average allocation of time and money per requester, then you pay a special fee. It could be as simple as that. There is no need to be swept into endless controversies about whether a person's request is frivolous or vexatious. Nor is there any need to impose user fees on any and all requests for information. The measures in schedule K clearly do exactly what the commissioner says we should not do, which is to impose user fees "that limit access to those who can afford to pay."

The bill's explanatory note for schedule K says that "a person who requests access to a record is required to pay the fees prescribed by the regulations for any costs incurred in responding to the request"—I emphasize "any costs." That risks defeating the whole purpose of the province's legislation on freedom of information and the protection of privacy.

A reasonable allocation of time and money would do the job we still need to do, which is to encourage citizens to engage the profound questions about government accountability and personal privacy that must constantly be addressed, regardless of which party happens to be in power.

The government, in my view, is at a critical juncture. It can push Bill 26 into law with minor changes, arguing that it knows best how to deal with the deficit, or it can convert public concerns about Bill 26 into a collaborative effort to tackle the deficit. My hope is that we go the latter route. Thank you for your kind attention.

**Mr Hardeman:** Good morning, and thank you very much for your presentation this morning. I want to go a section on page 3 concerning the restructuring of municipalities. You make remarks that the first part of that process seems to take it in one direction and then, in your opinion, it goes in the other direction when it comes to the implementation.

I gather from your presentation that you support the need for restructuring in Ontario and changing the way local government works, for financial reasons and for efficiency reasons. Recognizing that we have 26 counties in the province and that somewhere near half of those have done a local study to look at governance but there doesn't seem to be a process in place to implement that, I wonder if you could give us some suggestions about what we do to further that and provide the ability for something to take place on that type of process as opposed to what's been happening now: a lot of studies but no action.

**Mr McNaughton:** My only point is that I just think it's foolhardy to risk being seen as imposing something on a community. That leads, possibly, to controversy. If



they've already done the study and they're keen to restructure—I think that's quite possible in some of the cases—just expedite the process by which they would apply to do that. I'm not familiar with all the steps that would be required, but I'd try to make it easy to do it.

1150

To send the Ottawa-Carleton area, for example, a message that we're going to restructure it in such a way here, without having what should be seen as a thorough consultation, would risk being—let's put it this way—inefficient; you'd have controversy.

**Mr Hardeman:** Of course the regions, including Ottawa-Carleton, are not included in that section of the legislation, primarily because they already went through the process a number of years ago and became the region from the former counties.

I would just question again how we would look at implementation, because that seems to be the roadblock that's in the way for change to happen. We can get much discussion and we can get many proposals, but there doesn't seem to be a process in place to facilitate the action. Recognizing that the municipalities are structured by the province, we need a way to have them implemented by the province. Would you have any suggestions we could add that would facilitate that?

**Mr McNaughton:** If you'll allow me, I'd just go back to the main theme. The main thing I would like to feel and see is a sense of partnership. What we're moving into is a polarized debate of some kind between those who are fiscally conscious and those who are socially conscious. Frankly, I don't think many people want that kind of either/or choice. In the case of municipal restructuring, I would just call up the right people and work closely with them to get an expedited result, whatever that might be.

**Mr Hardeman:** As an amendment then, if we put something forward that would include more public participation in the process, that would be an asset to the process.

**Mr McNaughton:** Maybe we find new terminology. "Consultation" suggests a long time and lots of money. Let's just work closely together.

To me it would be a brilliant stroke, if I can give you unasked-for political advice, to take out anything that might be seen as heavy-handed by Queen's Park. I don't think it's going to work well in your very own agenda.

**Mr Hardeman:** This is not the health committee, but you did mention it. In my community we have a great shortage of doctors, and this hasn't happened since Bill 26 was introduced; this is something that's been ongoing for some time now. There needs to be something done to facilitate the distribution of doctors in Ontario. Do you have any suggestions as to how that might be facilitated, other than what the bill is suggesting?

**Mr McNaughton:** I have the right guy for you, Dr Claude Vezina at the Porcupine District Medical Society. What he said is that you need an incentive package, is basically what he's saying. Dr Lemmex last week said this measure is not going to drive them north; it's going to drive them south. I really think you have to hit the brakes on that side and make sure that—again, talk to the doctors. What brings a person north? Some people would go north and enjoy it. It's best to find those people.

**Mr Young:** I totally agree with you; we have to be engaged in a real conversation with the doctors. A number of us in caucus have doctors in their families and there's nothing we want more than to have peace with doctors.

But 70 communities in Ontario don't have a doctor. One community offered \$60,000 a year, plus all OHIP billings, and they still couldn't get a doctor. You're on the right track—I believe you are, and we're pursuing it—but it's not as simple as it seems. I appreciate your ideas; it's an excellent presentation.

**Mr McNaughton:** I don't think any of these areas are simple. I must say it's a struggle, even in the area of freedom of information; there are all kinds of possibilities. That's why I suggest if you have substantive meetings, get the right experts around the table, including members of the public—

**Mr Young:** I can assure you they are going on behind the scenes.

**Mr McNaughton:** Well, why not bring them out in the scenes?

**Mr Young:** The doctors are not a single group. There are interns who disagree with surgeons who disagree with heart surgeons who disagree with cancer surgeons who disagree with family doctors.

**Mr McNaughton:** It would be a wild meeting, yes.

**Mr Young:** It's hard to have a meeting with one group that speaks for all of them. We're working very hard on it, I can assure you of that.

**Mr McNaughton:** But they'll have to get together in the end.

**Mr Young:** Agreed.

**M. Gilles E. Morin (Carleton-Est):** Monsieur McNaughton, je vous félicite de la présentation que vous avez faite. À mon point de vue, c'est excellent. Vous avez résumé dans une capsule tout simplement l'opposition que nous avons à ce projet de loi.

Alors, imaginez si l'opposition s'était tue, n'avait rien dit, n'avait rien fait, si on avait joué tout simplement le «passons», en disant, «Mais passez votre loi.» Imaginez les problèmes que nous aurions rencontrés.

Le fait aussi que vous faites une recommandation que les audiences soient prolongées à mon point de vue est tout à fait logique, logique en ce sens : que la démocratie est basée sur le fait que la minorité doit avoir l'occasion de s'exprimer, et nous, d'avoir un gouvernement —

**The Chair:** Excuse me, Mr Morin.

I'm sorry, but by standing orders there are no demonstrations and signs like that permitted in our public hearings. I'd appreciate it if you'd lower the signs. I'm bound by those standing orders. I'd appreciate it if, in deference to the presenter who still has about 12 minutes remaining in his time, you would lower the sign. Otherwise, I'd have to recess; it wouldn't be fair to the presenter, who's spent quite a bit of time and would like to have himself heard and his questions answered.

I'd appreciate it if you would lower those signs.

*Interruption.*

**The Chair:** I'm sorry, folks. We'll recess until 1 o'clock this afternoon.

*The subcommittee recessed from 1156 to 1300.*



**The Chair:** Good afternoon. Welcome back. When we left we had Mr McNaughton in the chair with 10 minutes remaining; four for the Liberals for questions and six for the third party. If Mr McNaughton would like to come back quickly. Mr Morin was questioning. We may want to move that to, I believe, Mr McGuinty.

*Interruption.*

**The Chair:** Order. Order, please.

Mr McGuinty, you have four minutes.

**Mr Phillips:** Did we really need the police for that?

**Mr Dalton McGuinty (Ottawa South):** Mr McNaughton, I wanted to thank you for your presentation and to at first compliment you on I guess the theme that I find runs through it, and that's the perspective you bring to the role of government. In government, one of the things you've got to decide fairly early on is how you view your public. Are they an obstacle to be overcome or a resource to be tapped? You view them, I think quite rightly, as a resource.

I don't want to be Pollyannaish about this, but you have to make an effort to draw on that resource and see if a consensus can be developed. If it can't at the end of the day, then the government has to act in the public interest, and that's their job. But I think they have to make a reasonable and genuine effort at the outset to do that. I just wanted to compliment you on the insight that you brought to that.

I wanted to ask you something related to your recommendation number 4, and I'm not exactly clear as to what you're recommending here. You state in the fourth paragraph from the bottom on page 4, "If you need to go past a reasonable average allocation of time and money per requester, then you pay a special fee." I'm always a bit concerned about averages and how that works out in reality. What if a person exceeded the average and they were then met with the obligation of having to make payment of a fee but they couldn't afford to pay the fee?

**Mr McNaughton:** I actually have a friend who is concerned with housing people in Toronto, and he raised that question. I don't want to put too much weight on this footbridge. I think you have to worry about public interest groups, for example, their need to access information, to be able to advocate their concerns. So that's one consideration.

I had a chance to talk to Mr Young briefly earlier, and I think the way to simplify my recommendation is to say, go talk to Tom Wright. I think really that's your key. I draw your attention to his order of October 18, 1995. It's actually a very entertaining read. It looks dull, but it's very entertaining and very careful. He has gone through all the precedents and how does one work out this question. The man involved there—he was addressing the appeal of a Mr Riley—in the end, Mr Wright said he couldn't rule on the legitimacy, the frivolousness or the vexatiousness of what he wanted; that wasn't his job. But, in a careful liner on that, he can rule on administrative sense, shall we say, that there's a limit even in his own office as to how much he can plow into appeals.

So I'm just trying to get in there with an administrative idea that in some sort of sensible way and flexible way you would limit the amount you spend on an average person. If the guy is running up a \$30,000 bill, you say

long before that, "I'm sorry, we can't spend that on you only," if it's just an individual.

**The Chair:** Thank you very much, Mr McNaughton, for coming forward. I apologize for the interruption. But thank you for coming forward to make your presentation today.

**Mr Phillips:** Mr Chair, could I ask who requested the uniformed police officers to be here and escort the—

**The Chair:** I don't believe it was anyone associated with the committee. I believe it was the hotel. May I please have—

**Mr Phillips:** I just want confirmation of that. The hotel on their own phoned the police department to be here and to escort those people out?

**Clerk of the Committee (Ms Lynn Mellor):** The hotel was called from my office explaining that there may be demonstrations and it was entirely up to them how they would deal with the situation, because it's their private property that we're on. But we have to alert them.

**Mr Phillips:** May I just say I personally find it objectionable. The demonstrators, yes, shouldn't do that. You gave them about one minute and you adjourned. Then when we came back there were uniformed police officers to escort them out of the room.

I don't like that and I'm associated with it because I was here and part of the committee. But they were given about one minute and then there were at least two uniformed police officers who chased them out of the room. I wonder if that's how we want to operate. I would have found it far more reasonable if the committee had had an opportunity to discuss it. People have legitimate concerns and they demonstrated for a total of three minutes and then we have uniformed police officers. And I don't blame the police officers; they were doing the job that they were called to do. But I want to register my concern about this as another step in silencing people who have some concerns.

**Mr Sampson:** Mr Chair, on a point of order: I don't know where my friend from across the floor is leading on this particular issue, but if he's trying to indicate the government somehow had responsibility for ordering the police in to escort those people out, I want to make it clear that it was not the case. We had absolutely no involvement in that whatsoever. The owner of this property that we are using now is entitled, in my view, to protect his property or her property how he or she sees fit. We have no control over that, we made no such order and if that's where my friend across the floor is leading I want to make it absolutely clear that was the situation as far as this side of the table is concerned.

**The Chair:** Thank you, gentlemen.

**Mr Young:** Mr Chair, I didn't see any chasing going on. I saw an escort. I saw them walking out of the room in protest. I didn't see any chasing.

**The Chair:** Thank you, gentlemen. I take it we've made our feelings known on that. I appreciate it.

#### EASTERN ONTARIO WARDENS' CONFERENCE

**The Chair:** We must continue this afternoon with the Eastern Ontario Wardens' Conference. Could members from that organization please come forward. Good



afternoon and welcome to the standing committee on general government. You have half an hour today to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive questions and response from the three caucuses. I would appreciate it if at the beginning of your presentation you'd take some time to introduce yourselves for the benefit of the committee members and Hansard.

**Ms Frances Smith:** My name is Frances Smith and I'm the warden of Frontenac county, and my colleague is Ormond Giles, the immediate past warden of Lanark county.

We're here today representing the Eastern Ontario Wardens' Conference, which represents 13 wardens in eastern Ontario. We welcome this opportunity to make a submission to you on Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda.

The EOWC's submission will be limited to comments on schedule K, involving amendments to the Municipal Freedom of Information and Protection of Privacy Act; schedule M, involving amendments to the Municipal Act and various other statutes relating to municipalities, conservation authorities and transportation; and schedule Q, relating to amendments to various statutes with regard to interest arbitration.

The wardens are encouraged by the general thrust of those provisions of Bill 26 affecting the operation of municipal government. The EOWC in this submission will be making recommendations which we feel are constructive.

Part II of schedule K to Bill 26, the Municipal Freedom of Information and Protection of Privacy Act: Even though the eastern Ontario counties have not been plagued by frivolous or vexatious requests, we understand that certain organizations have been required to spend considerable amounts of valuable staff time answering questions submitted under the legislation which appear to have no real purpose other than to frustrate the operation of the organization. As a result, we support the proposed amendments.

1310

The EOWC is satisfied that the proposed addition of section 20.1 of the act provides sufficient information to allow an individual who is of the opinion that his or her submission is not frivolous or vexatious to appeal to the commissioner for a review of the decision.

In spite of our support for the general thrust of the proposed amendments, we are of the opinion that the standards for determining what constitute reasonable grounds for a head to conclude that a request for access to a record is frivolous or vexatious should be included in the legislation rather than the regulations.

The EOWC recognizes that the legislation was prepared in a relatively short period of time. Nevertheless, we do not feel that it is reasonable to expect municipalities to support the proposal for changes to the regulations contemplated in subsections (2) and (3) of section 24 without the benefit of having these regulations available at the time the bill is introduced.

We would therefore submit that the standards for determining what constitutes reasonable grounds for a head to conclude that a request for access to a record is frivolous or vexatious be written as a section in the legislation rather than prescribed in a regulation. Also, that in situations where the regulations that may be prescribed under the legislation have significant implications for both the individuals responsible for implementing the legislation and individuals affected by the legislation, the proposed regulations be tabled at the time the legislation is introduced.

Schedule M to Bill 26, Amendments to the Municipal Act and Various Other Statutes Related to Municipalities, Conservation Authorities and Transportation: municipal restructuring: The eastern Ontario wardens recognize that there has to be a more expedient method of dealing with municipal restructuring than the current situation which requires introduction of specific legislation. Nevertheless, we are concerned that the proposed amendments would allow local bodies which may not be comprised of elected representatives to submit restructuring proposals.

In addition, we are concerned with the extent of the authority granted to the minister to make regulations under clause 25.2(9)(b), such as:

"(iii) providing for the degree of support required to support a restructuring proposal with respect to each type of restructuring;" and

"(iv) providing for the manner of determining the support."

We are of the opinion that it is unreasonable to expect endorsement of the legislation when the regulations which represent a significant aspect of the proposed legislation are not available.

In addition, we hear rumours that the regulation may allow a group of 75 citizens to make a restructuring request. We need not remind you that every member of municipal council subjected himself or herself to the slings and arrows of the ballot box. In our mind, it would be totally inappropriate to allow citizens who have no electoral base and who may simply be acting out of malice or frustration—and an example may be that council didn't see fit to pave their road or decided not to widen their street—an opportunity to make a request which may not represent the views of most residents and which could leave the local duly elected council with costs associated with examination of the proposal.

If a significant number of ratepayers feel that council's failure to act on a review of local governance is not appropriate, we are certain it will be resolved at the next election, which we remind you is at the most three years hence.

Furthermore, the EOWC is disturbed with the authority granted to a commission under subsections 25.2(11) and (12) and section 25.3. Given the fact that a commission may be composed of one or more persons who have no electoral base, it is our opinion that the commission should not be granted the authority set out in section 25.3.

In the event a commission is appointed, it is our position that the commission's authority should cease at the time it presents restructuring proposals to the municipalities and the minister. We trust that the minister would then consult with the municipalities before taking any



action. In any event, if further action such as making an order to implement the restructuring proposal is contemplated, it must, in our opinion, be undertaken by an individual who has a legitimate electoral base, namely, the minister.

EOWC is disturbed with the proposed subsection 25.2(13) dealing with the issue of personal liability for those councillors who contravene any regulation under 25.2(9)(c) or 25.3(7)(g) by voting in a favour of an act prohibited by the regulation. It is our opinion that given the complexities of the issues that may result from restructuring proposals, councillors would be reluctant to make any decision or vote on any matter after the regulation has been put in place, since it may be that a municipal elector will take action because that person feels the municipality or successor municipality is adversely affected by the vote.

Even though the individual taking such action may be acting out of malice or frustration with the new form of government proposed, the councillors who vote in favour of such action may find themselves personally liable for the costs involved in defending such action. In addition, we wish to emphatically denounce any proposal that moves issues which would normally be the subject of corporate liability to the area of personal liability. This is an extremely onerous provision which we feel has no place in legislation. Accordingly, it is our position that section 25.2(13) must be removed from Bill 26.

We would make the following submissions:

(1) That the legislation be amended to clarify that only municipalities or local bodies comprised entirely of elected officials are entitled to make restructuring proposals to the minister;

(2) That section 25.3 be amended to clarify that a commission has no authority other than to present restructuring proposals to the municipalities and the minister;

(3) That prior to final passing of the legislation, the regulations contemplated under sections (9) and (11) of section 25.2 and section (7) of 25.3 and the principles to be established under section 25.4 be tabled and subject to review by municipalities and other affected parties.

(4) That proposed subsection 25.2(13) be removed from Bill 26.

Section 6 of schedule M: The EOWC recognizes that it is important that municipalities be able to determine which level of municipal government is best suited to provide a particular service. As a result, we support the general thrust of sections 209.1 to 209.6.

There are obvious questions which can only be answered once the regulations are available. For instance, would it be possible for local municipalities to assume upper-tier responsibility such as boards of health and children's aid societies? In addition, we question if municipalities have been granted real authority to determine the level of government best suited to deliver a service when the minister has absolute authority under section 209.6 to limit our ability to do so by regulation. It is the opinion of the EOWC that in the event the government contemplates limiting the services and facilities which can be transferred between levels of government, these limitations should be included in the legislation.

We therefore submit that the legislation be amended to clarify that subject to conditions set out in 209.2(3), (4) and (5), a decision regarding the transfer of a particular service is at the sole discretion of the municipalities affected. Failing this, any action by the government to limit the services and facilities which may be assumed at either the upper-tier or local municipal level be incorporated in the legislation; or, failing that, prior to final passing of the legislation, the regulations contemplated under section 209.6 be tabled and subjected to review by municipalities and other affected parties.

#### 1320

Special-purpose bodies: The eastern Ontario wardens support the proposal that municipalities be granted the authority to dissolve special-purpose bodies in favour of direct accountability for decisions affecting public services and expenditures, and as a result we support the general thrust of the legislation. Nevertheless, as we have stated in other sections of this submission, we are concerned that the government has retained the right for the minister, by regulation, to limit the ability of municipalities to dissolve or make a prescribed change to a local board which the minister decides to protect.

It's the opinion of the EOWC that once the general authority to dissolve or make prescribed changes to a local board has been granted through legislation, any action to limit that authority should also be included in legislation. We would therefore submit that the clauses of subsection 210.4(7) of the act, which limit the ability of municipalities to dissolve or make changes to a local board, be repealed; failing this, that prior to final passing of the act, the regulations contemplated under subsection 210.4(7) be tabled and subjected to detailed review by municipalities and other affected parties.

User fees and licensing: The EOWC supports the provisions outlined in sections 9 to 24 of schedule M. We recognize that certain individuals, organizations and even municipal councils have questioned the general authority granted to municipalities to determine alternate revenue sources, which may be based on usage of services and linked to customer choice. Some of the statements made suggest that municipal politicians cannot be trusted to make reasonable decisions that are in the best interests of the taxpayers.

In our opinion a municipal council, because of the fact that it is accessible to the ratepayers it serves, is the least likely to abuse its powers to regulate, license and tax. Unlike the provincial and federal levels of government, virtually every municipality in Ontario provides opportunities for delegations to appear before the entire assembly. As a result, any proposal by a municipal council to exercise the powers authorized under these sections will be subjected to the test of reasonableness and fairness, given the fact that the council, in a public meeting, will be cognizant of the views of the individuals it serves.

Our only concern with the proposal under this area relates to the ability of the minister by regulation, section 257.5, to exempt a business or class of business from a licensing bylaw or to impose conditions on the powers of a local municipality under this section of the act. In our opinion, any attempt to exempt a business or class of business from licensing or to limit the powers of a local



municipality under this section must be outlined in the legislation. We submit that in the event the government is of the opinion it is necessary to exempt a business or class of business from a local licensing bylaw, the exemption be included in the legislation.

**Ontario municipal support grants:** The EOWC supports the proposed legislation and recognizes that municipalities, in carrying out their local government functions, have a responsibility to be cognizant of different provincial priorities. On the other hand, it's our submission that this portion of the legislation should more clearly outline the fact that municipalities have the authority to manage the funds they receive under the Ontario Municipal Support Grants Act in order to meet local needs and priorities. Again, we are concerned with the authority granted to the minister, which allows him or her to establish standards for activities of municipalities, including the provision of services, and more specifically, which allows the minister to be general or specific in application of the regulations.

We would therefore submit that sections 29 to 32 of schedule M be amended to clarify that even though municipalities must be mindful of clearly defined provincial interests, they are empowered to determine the best uses for grants paid under the Ontario Municipal Support Grants Act that meet the needs and priorities of the municipality; secondly, that clauses of this section granting the minister authority by regulation to establish standards for activities of municipalities, including the provision of services, and to make a regulation general or specific in its application, and restricted to certain municipalities specified in the regulation, be removed prior to second reading.

**Public Transportation and Highway Improvement Act:** The EOWC recognizes that there have, for a number of years, been suggestions that the act be amended to include the remote municipalities in six eastern Ontario counties in the county road system.

We acknowledge, given the uncertainty surrounding the transfer of additional provincial highways, and in some areas a request for county road services, it is appropriate that the bylaw which provides for the levying of a general annual rate for road purposes provide for a rate upon all the municipalities in the county not separated therefrom for municipal purposes.

Nevertheless, we are of the opinion that it is impossible to implement changes of this magnitude on such short notice, particularly when MTO has advised the Ontario Good Roads Association, "In counties where there are candidate highways in townships that are not in the county road system, the transfer will not take effect now." Accordingly, we feel there should be provision for a phase-in of the levy based on council's assessment of the situation.

We therefore submit that the proposed amendment to subsection 44(2) of the Public Transportation and Highway Improvement Act be amended to read: "(2) The bylaw shall provide for the levying of a general annual rate upon all the municipalities in the county not separated therefrom for municipal purposes, and may, for those municipalities which were not subject to a county road levy prior to January 1, 1996, provide for a phase-in of their portion of the levy on a basis determined by county council."

**Schedule Q, amendments to various statutes with regard to interest arbitration:** The EOWC supports the general thrust of the amendment to the legislation which requires arbitrators to consider a municipality's ability to pay. All counties operate a municipal home for the aged which is subject to the Hospital Labour Disputes Arbitration Act. We are of the opinion that the legislation should be further amended to require that the board of arbitration consider the county's ability to pay without incurring service reductions or tax increases.

The EOWC further notes that in communities where there is a significant number of employees in the broader public sector employed by both the provincial and federal governments, and where as a result salary levels are somewhat higher than might otherwise be expected, the criteria should require that the board of arbitration have due regard for comparison with private sector wages for similar jobs and the wage increases or decreases already freely negotiated by other municipal employees in the area.

We note that the provincial government, in order to effectively manage its operations, has removed successor rights from legislation governing the contracting out or divestment of services. You promised us the tools to do our job. This is one tool you have that it's absolutely essential we obtain if we are to achieve our mutual goal to reinvent government.

We would submit to you:

(1) That the criteria under the Hospital Labour Disputes Arbitration Act be amended to clarify that the board of arbitration shall consider the employer's ability to pay in light of its fiscal situation without the necessity to incur service reductions or tax increases;

(2) That the criteria which the board of arbitration shall consider be amended to clarify that the comparison shall include a comparison with similar private sector comparators in the area and be representative of wage increases or decreases already freely negotiated by other municipal employees in that area;

(3) That the province extend to municipalities that which it has already provided to itself for the management of its own operations: the removal of successor rights from legislation governing the contracting out or divestment of services.

**The Chair:** Thank you very much. We have three minutes per caucus for questions.

1330

**Mr Gerretsen:** First of all, Madam Warden, I'd like to congratulate you on an excellent brief. You've raised many of the concerns that we have.

Also, it's always nice to see someone here representing the most beautiful county in the province of Ontario.

**Ms Smith:** I would agree.

**Mr Gerretsen:** You put your finger on it. There are many regulatory powers here that the Legislature won't be involved with if this passes. On the restructuring side, it's interesting to note that even with the amendments that were forwarded to us today the 75-person possibility is still there; it does not have to be a municipality. Also, the appeal mechanism from the commission is totally absent, and we've been pointing that out, as well as the personal liability aspect of the councillors that we're greatly concerned about.



But the former mayor here, Monsieur Lalonde, has a question right now.

**The Chair:** Mr Lalonde.

**Mr Jean-Marc Lalonde (Prescott and Russell):** I too want to congratulate you for showing interest in this bill. You've mentioned that you're in favour, that you support the user fee and licensing. I am worried about this part especially when you come to the safety of the people, let's say for fire departments. If people know they might be charged for calling the fire department, they might turn around and not call it, especially when there's a car fire and especially when you're at the boundary line of two municipalities. It's like kicking a bucket of paper that goes to the next property. You might push the cart to the next property if you know there's no fee on the neighbour's property, and it's the same thing for the police.

At the present time I feel that in the tax base they're paying to the municipality this is covered already. I wonder, if there's a fee whenever the police are called or the firemen are called, if they are going to reduce the tax base they have for this property. That is my question.

**Ms Smith:** Just to respond to that, first of all I represent a small municipality in the rural area. Before my municipality would ever look at the cost of policing, we would look at cutting some other kind of service. I would believe that my council chambers would be filled to capacity if I suggested that our volunteer fire department was going to start charging for people to call it in. I don't see that will happen.

**Mr Silipo:** Thank you for the presentation. I think it's a fascinating analysis of this whole area, whereby the minister or the government gives municipalities various powers, as you've outlined, in the different sections, whether it's in restructuring, whether it's in user fees, whether it's in any of the other powers, but then clearly also holds out for itself through regulations and the powers of the minister, in effect, the final say. You do an interesting analysis of that, piece by piece. I think essentially what I keep hearing you say is, if you're going to give us these powers, give us these powers, and if you're going to put a lot of those things in regulations, then the regulations should be available for public scrutiny rather than just adopted by cabinet in the normal process.

**Ms Smith:** That's very true, and the other precaution that could be taken here is that municipalities could have the authority. If they show that they cannot handle the authority, then there could be something in legislation where the powers can be taken back. I know the province doesn't want to really be in that business, but it's like we're being condemned before we ever set to the task.

Give us the power. Let us deal with it. If we're not doing it right, then take those powers away at that time, but don't take them away before you give us a chance.

**Mr Silipo:** Okay. A couple of areas where I'm a little bit troubled by what you're saying, and if time allows I want to pursue them. In terms of the arbitration, you know, I'm sure, of the various submissions that we received from both firefighters' and police officers' associations, both of which have criticized severely these provisions. They point out to us, in fact, that there's no need for them, first of all, that in the vast majority of cases, in 85% to 90% of cases, there is no recourse to

arbitration. There has been historically because the parties have managed to come to agreements.

Given that reality—and I don't know what the situation has been in the eastern Ontario townships—why do we need, or why do you feel you need these kinds of additional provisions put in which some people have described as wage controls by the back door?

**Ms Smith:** If you look at the example we used—and I'll give you the example that is home for me, our home for the aged—where we have federal and provincial employees that they are being compared to, if you compare the wages to the other county employees who have willingly agreed to a different amount, if you use the comparator of the federal and provincial governments, then the wage settlements will be higher.

What we're saying here is that if you're looking at a home for the aged and the arbitrator does not take into consideration things like ability to pay or decreasing services, most of our homes facing the cuts right now are looking at cutting everything they possibly can, and the last thing we want to do is cut services to our old folks. It would be very sad if an arbitrator didn't take that into account.

**Mr Stewart:** Thank you, Madam Warden. I appreciate you're from the beautiful county of Frontenac, but you did come to the beautiful county of Peterborough to have your meetings.

**Ms Smith:** That's right.

**Mr Stewart:** I really appreciate that.

Just a couple of little concerns. First of all, the municipalities want the autonomy. I believe that. I believe that municipal government is the closest and the best for the people. A concern I have, though, is that you seem to want to put a great number of things into legislation. Do you feel that will still give the municipalities flexibility? I guess I go back to Bill 163, which said you must be consistent with the province's policies, against what we're talking about now: to give regard to. Will you have the flexibility if too much of this goes into the actual legislation?

**Ms Smith:** I think what's been happening with Bill 26, as we've been hearing in the media, is that you'll have one municipality saying, "We're going to put a gas tax on," and another one saying, "We're going to charge a poll tax," and you'll have people totally up in arms because nothing seems clear about what you can and can't do. What we're saying is, don't make this bill muddy. Make it clear.

If you are going to reserve certain things that we can't do, then tell us, but don't leave it up to us to try and get lawyers and the cost of all that to try and implement things that are upsetting for people, upsetting for the politicians, to find out that's not what was meant by the bill. Basically, we want things to be clear in the beginning. It can save us all a lot of time and a lot of emotional things that we have to go through if it's clear in the legislation.

**Mr Stewart:** The other thing on restructuring, the thought that the commissioner who's being appointed would only be allowed to—I assume that you're talking about the commissioner being a facilitator rather than actually directing the restructuring proposals?



**Ms Smith:** As we understand it right now, a commission can come in, draw the lines, go away and it's all done and you get a bill.

**Mr Stewart:** That's kind of what happened in the past, and Wellington county's a perfect example of it.

**Mr Phillips:** That's what the bill says. She's right.

**Mr Stewart:** I'm just asking a question. I don't talk with you; please don't talk when I'm talking.

**Mr Phillips:** You're misrepresenting the bill.

**Mr Stewart:** I'm asking a question. I said to you, do you believe that's the position a commissioner should be, as a facilitator?

**Ms Smith:** Definitely not. As a facilitator, possibly, but what we see is that if this government really wants local decision, then don't threaten us with a commissioner. Let us work on it, let us come up with a local decision and let us get on with business.

**The Chair:** Mr Stewart, I'm sorry, we've come to the end of your time. I want to thank you both for coming forward and making your presentation to the committee today.

**Ms Smith:** Thank you for your time.

**Mr Sampson:** Mr Chairman, maybe while we transition to the next speaker—

**Mr Phillips:** Not another amendment.

**Mr Sampson:** Mr Phillips has guessed correctly. I'm shocked that he would know I have another amendment in my hand.

**Mr Phillips:** They are coming hourly now.

**Mr Sampson:** It was one that was to have accompanied the ones this morning, but there was an error. One of the pages didn't quite make it to transmission. I do have the full document here. This is actually two amendments with respect to section 25.3 of the Municipal Act, if I can table them. Again unfortunately, and I apologize and hope the clerk doesn't take this against my account, I only have one copy.

**Mr Phillips:** Do we have copies for all of us?

**Mr Sampson:** Copies will be made, Mr Phillips. I'm sorry, I haven't had a chance to get the copies made.

**The Chair:** The clerk will provide some copies. May I please have a representative from the Older Women's Network come forward.

**Mr Stewart:** Mr Chairman, on a point of order, if I may: I have grave concern with this constant interruption, when we're either asking questions or leading up to something, by the opposition. I believe that we're here to listen to the people rather than to listen to ourselves. What the rest of them do is fine, but if I happen to be asking a question and talking to these people, I would ask that in future I have the respect to at least be able to address those people.

**Mr Phillips:** I will agree to that as long as you tell them the truth. What you were telling them was not the truth in the bill. We won't sit still for people being misled here. Those are the ground rules.

1340

#### OLDER WOMEN'S NETWORK

**The Chair:** Welcome to the committee. You have half an hour today to make your presentation. You may use

that time as you see fit. You may wish to leave some time at the end of your presentation for questions, response from the three caucuses. I would appreciate it if you would take some time at the beginning of your presentation to introduce yourself for the benefit of Hansard and the committee members.

**Ms Connie Delahanty:** My name is Connie Delahanty. I'm a member of and represent the Older Women's Network of Toronto and Ontario. I am here to express our objections to Bill 26 in general and, in particular, to the proposed amendments in the Employment Equity Act effective January 1, 1997. This change will repeal the proxy method of comparison, which is the primary method of determining whether pay equity exists in areas of employment where women predominate.

We believe that Bill 26 is not a gender-neutral law and that deficit reduction is not a gender-neutral activity. The proxy value provisions were added to the Pay Equity Act in 1993 to provide equity to female employees who, because there were no male job classes in their establishment, were effectively denied access to pay equity under the act. Why are we now proposing to change a law that finally attempts to pay women fairly?

One of the major goals of the Older Women's Network is to empower older women to overcome injustice and inequality in the workplace. As older women, many of us are directly experiencing problems that are the result of being unable to earn enough to provide for an independent old age. There has been a lot of talk from members of the current government about being self-sufficient and saving for our old age while at the same time denying us the means to do so.

In 1991 in the province of Ontario, there were 1,151,375 women over the age of 55. This represents about 12% of the population of Ontario. As everyone knows, these figures are going to increase. Females born between 1985 and 1987 can expect to live for almost 80 years. This is a long time to live in poverty, as many older women already know, and women's poverty in old age is a direct result of a lifetime of unpaid work in the home and underpaid work in the workplace.

The repeal of a law that grants a large number of the women of Ontario equal pay to that of men is not only a step backwards but we believe is an unbeatable example of the contempt that this government shows for women as well as for the law. The repeal of any portion of the Pay Equity Act will do nothing to promote the economic prosperity of Ontario, as Bill 26 is intended to do. It will promote the economic prosperity of a few, but not the majority of women in Ontario whom this government was elected to represent.

After the passing of the Pay Equity Act in 1987, a majority of 200 companies surveyed in Ontario stated that pay equity would not adversely affect their organizations' ability to compete in the current business environment. The addition of the proxy comparison method put workers in all jobs on an equal footing. That amendment is about to be removed. It appears that justice is now subject to shifts in the economy.

Women are a major component of the economy. In 1983, 77% of all female employees worked in just five occupational groups: clerical, service, sales, health care



and teaching. These are the groups that would be most affected by the repeal of the proxy provisions amendment. For a long time now, these women, and many others, have been subsidizing their employers. The Ontario Equal Pay Coalition told the province's consultation panel on pay equity in 1986: "Women are already being very lenient with the business community which has profited for many years by paying women unfairly. Our demands are very modest considering the massive wage losses suffered by women over the years."

Paying women fairly can only improve the economy and allow us to make provisions for our future. If Ontario wants to start paying back its debt, let it start by paying back women what it owes them. Without fair pay, women, especially as we age, will continue to be seen as expendable burdens on the economy, institutionalized in profit-making nursing homes and cared for by yet another generation of underpaid and overworked women and health care workers.

**The Chair:** Thank you. You've left plenty of time, about seven minutes per caucus, for questions and responses. We'll start with Mr Silipo.

**Mr Silipo:** Thank you, Mr Chair. I don't know whether I'll need the whole seven minutes.

Let me say, Ms Delahanty, thank you for your presentation and for focusing in on an issue that certainly we've heard about from other presenters here, but quite frankly, I'm dismayed that we haven't heard more of an outcry against what the government is doing with respect to the elimination of proxy pay equity.

I know, having been the minister responsible for the previous government that coordinated the efforts that brought about the proxy pay equity, the sense of relief that we felt when we were able to come up with the solution that was then reflected in the legislation. As imperfect as that was—and we recognize that it had limitations—it at least allowed finally for some 100,000 of the lowest-paid women in the province to be able to get what other women had managed to get through the earlier provisions of pay equity, which was, albeit over a long period of time, to know that they would get some form of equity in their wages relative to what men in comparable jobs were getting.

One of the things that continues to astound me is the rationale that the government uses, and I hope that they will talk to you about this as their turn in the questioning comes up. Their logic seems to be that pay equity was never envisioned, and should never have been envisioned, to cover the women who work predominantly in nursing homes, in child care centres, in various social services like children's aid societies, who are the women that are covered by the proxy pay equity and who will be denied, as a result of this legislation, the right that they've had, not only to what they would have gained but, one could argue, also to what little they may have already gained as a result of the existing legislation. Although there's a provision in this bill that says that the employer's obligations will now be limited to 3%, there are no enforcement mechanisms. So that if an employer doesn't want to pay that 3%, there's nothing the employees can do about that.

I would be interested in your views about why this government would decide to do this. Why would they

pick on the lowest-paid women in the public sector and deal with them in this kind of harsh way?

**Ms Delahanty:** As one of the columnists in the Ottawa newspaper said: "Don't kid yourself. This is a man's government." This is the way I feel about them.

**Mr Silipo:** People have said to us on more than one occasion that this government is giving certainly new meaning to the phrase "women and children first." We've certainly seen, in terms of various actions, from social assistance cuts, the various social services cuts, to this action, how in fact they are hurting women and children in a particular way. Again, on the one hand it's consistent, it seems to me, with the overall actions of the government as far as shifting the wealth and power away from most of us into the hands of a few, but I have to say to you that I still have trouble understanding why the government is so adamant about this particular provision.

There was a child care group that was here this morning, and they gave one possible explanation, which was to say that in the child care area at least this would allow the government not only to roll back the pay equity gains that women who work in the child care sector have made but also the wage enhancement funds that have been paid, about \$2,500 per worker, that we instituted under the previous government.

I don't know if that provides any further explanation, but I just continue to be a little bit dumfounded, and I say that sincerely, as to why, among all of the areas the government could cut, they would do this and create the absurd result whereby you pit women against women in the sense that if a female worker is a school secretary, she has and will continue to benefit from pay equity, but if a woman works as a child care worker or in a nursing home or for a children's aid society, that woman will be denied the right to pay equity. There just doesn't seem to be any sense at all to me in that.

**Ms Delahanty:** There have been some very large settlements paying back women for the low wages they received, tremendous amounts probably, as money that they were due back, so maybe that doesn't look too good. 1350

**Mr Sampson:** Thank you very much for taking the time to speak to us today. I do want to make sure that you're aware of the fact that we are committing half a billion dollars in money to pay equity compensation. That was the statement embodied in the minister's statement at the end of November. That's a significant amount of money, I dare say larger than what the previous government was prepared to commit to like plans and an indication, contrary to what you've just heard from the other side of the table, of our commitment that we must establish appropriate pay equity plans.

With respect to Bill 26 and its effect on pay equity, I think if one reflects on how the proxy method has worked, I would be surprised if either one of the sides at the table would argue that it's 100% perfect as a system. So what we are trying to do is to recognize that maybe there are better ways to deal with that. But the fact of the matter is, there is half a billion dollars of funds which are going to be spent for pay equity plans in this province.

**Ms Delahanty:** There may be a better way, but you can't eliminate the one way that there is right now.



**Mr Sampson:** There are other ways, with respect, to establish pay equity plans, and the proxy method was only one of them. The problem with the proxy is that there are situations where comparisons were not appropriate and so that resulted in, frankly, stalemates, where there are no pay equity plans established because the employer cannot come to terms with the description, the comparison.

**Ms Delahanty:** That doesn't help all the women who aren't being paid. That's something the government is supposed to straighten out and hasn't straightened out.

**Mr Sampson:** That's right, and we need to, as a government, deal with the fact that we have to allocate that half a billion dollars appropriately. I don't want you to leave here believing that somehow we are trying to dismantle the pay equity concept; we're not.

**Ms Delahanty:** I'm afraid I do.

**Mr Sampson:** Well, we're not. There's half a billion dollars, a significant dollar amount of a very limited budget, more than the previous government spent on that plan, I might add, being allocated in this tough economic time to those particular pay equity plans. That is the commitment of this government and that will continue to remain the commitment of this government. I just wanted to make sure that you were aware of that.

**Mr Phillips:** I would just say to the delegation that the first thing the government took out of its budget on July 21 was the pay equity payment provisions. The second thing they took out was social assistance by 21%. The first thing was the pay equity provisions for the previous government's plans for the next few years. My question is, first, the pay equity schedule—

**Mr Sampson:** Not true.

**Mr Phillips:** It is true. If you want the proof of it, not on your time, but we'll prove it to them.

Does it offend you, people involved in pay equity, that an important issue like pay equity—and Ontario, frankly, I think has been a leader over the years in pay equity; I think there's an acknowledgement of that—that a major change in pay equity was put in, I think, in about three pages in a 212-page bill? Why do you think it was jammed in the middle of this bill, with all the other controversies swirling around the bill? Do you think it was an attempt by the government to try to ram something through in a significant way with a minimum of debate?

**Ms Delahanty:** That could very well be.

**Mr Phillips:** Do you think the fact that as we hear today—we've heard from some wardens dealing with some substantial restructuring motions around municipalities; we'll hear later from the firefighters about some substantial concerns they have; we'll hear from the mayor and the regional council about substantial concerns—that that may be evidence that the government hoped to create so much smoke around this bill that no one could see clearly into the total content of it and it could perhaps slide this change through with a minimum of debate from people like yourself?

**Ms Delahanty:** This is how it was presented to me. It's taken us a long time, I was told by the women in Toronto, to figure out what this is all about. It sounds very sneaky to us and that kind of thing, yes.

**Mr Phillips:** There's another section around arbitration that you may not be aware of, but we heard yesterday

from the municipality of Red Lake, very angry about an arbitration award that gave people in the home for the aged a \$2.36 increase over four years. They said the arbitrator's gone out of control. So the government is proposing to really put the cuffs on the arbitrators. I remember in the election they said they were going to take the cuffs off the police. They took them off the police and they put them on the arbitrators.

The way the arbitrators will be required to make their awards will mean that we have really a new wage control plan, and I suspect that one of the driving forces was things like the arbitration award at the Kenora District Home for the Aged, \$2.36 over four years for those workers, an out-of-control arbitrator. Strange, but out of control. I wonder if—

**Mr Patten:** Sarcasm.

**Mr Phillips:** Well, it was sarcastic because I was interested in the out-of-control arbitrator at \$2.36.

But my question to you is this: Do you think, as the arbitrators are being directed on their awards, that will have any impact on—

**Ms Delahanty:** I'm not sure what you mean by arbitrators directed.

**Mr Phillips:** The reason I raise this is because actually the previous presentation, if you were listening to it—if you were here; I'm sure you were listening if you were here—indicated that they needed controls on the arbitrators. My point is that many of the people who will be impacted by the controls on the arbitrator are women, and the combination of removing the proxy method and then directing the arbitrators in awards, have you had a chance to look at the implications of that in terms of how women—

**Ms Delahanty:** No, I haven't.

**Mr Phillips:** The last thing I want to ask you is, the government tells us this Bill 26 is designed to implement this, the fiscal policy; it's the hammer they need to do the Common Sense Revolution. In this document, the November 29 document, the number of people out of work in Ontario in 1996 is higher than it was in 1995. That's what the government says, more people out of work in 1996 than in 1995. Then it goes on to say that in 1997 there will be more people out of work in Ontario than there were in 1996. Two and a half years into the great Common Sense Revolution, there will be more people out of work than when Mike Harris took over as Premier. Have you any feeling of what that might do to the opportunities for women in the province who are looking for jobs and looking for opportunities?

**Ms Delahanty:** I think that most people out of work will probably be women, even like me, older women who are trying to find jobs who haven't got a chance now. We absolutely know it. It's one of the reasons we wanted to speak.

**Mr Patten:** My question would be, the government side says that the proxy value usage has stalled certain employment equity plans at this particular stage.

**Ms Delahanty:** Certain?

**Mr Patten:** Certain plans that were required by government to come forward to show some equity. Has your group had a chance to look at any of those in terms of ameliorating it? I think everyone would agree it's not



perfect. Some of us would say: "But it is something. What is being replaced by it?" There's nothing being replaced by it. Given the existing approach, proxy values, are there things you see that can be ameliorated with that approach, that can be more effective in response to the government's—

**Ms Delahanty:** I think they're going over the method for implementing pay equity very carefully to see what can be changed, but it's an unnecessarily complicated business. But they are trying, yes.

**The Chair:** Thank you very much for coming forward today and making your presentation to the committee.

1400

#### NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

**The Chair:** May I please have representatives from the National Action Committee on the Status of Women come forward. Good afternoon and welcome to the standing committee on general government. You will have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain response and questions from the three caucuses. I would appreciate it if at the beginning of your presentation you both took a brief moment to introduce yourselves for the benefit of Hansard and for committee members.

**Ms Anne Marie Delorey:** My name is Anne Marie Delorey. I'm the eastern Ontario regional rep with the National Action Committee on their executive committee. I'm also a member of the Renfrew county rape crisis centre, which is a rape crisis centre that services the upper Ottawa Valley. Also appearing with me is Susan Genge, who is an executive committee member with the National Action Committee. As you'll see from the copy of our brief, our names are both mentioned, as well as the other people we are representing here today.

I'd like to welcome the committee members to Ottawa. As you can see, we have lovely weather. It's a pleasure to appear in front of you. However, the general gist of my comments is not as positive. The National Action Committee is extremely concerned about this particular move of this particular government. We're particularly concerned with respect to two major issues that you'll see addressed in our brief. One is the issue of democracy; the other is the issue of economic security for women.

I'm sure you're well aware of the National Action Committee. We represent over 600 groups in Canada. They are members of the National Action Committee, and they participate in formulating the agenda of NAC. We also represent a diverse population of women, which means we represent women from different walks of life, women who will be more or less affected by this particular bill.

One of our major concerns about the process has been the speed with which it was set up in a response to, unfortunately, political action, social action, taken by members of Parliament. It was unfortunate that this government didn't see this broad consultation as a preliminary and important part of any formulation of legislation, that it wasn't thought of before the legislation was formulated

and in fact people didn't have input before the legislation was even formulated.

However, here we are, and it has been formulated and it's been drafted to address, as I understand it, approximately 44 pieces of legislation; it also adopts three new pieces of legislation. Certainly, you know as members of Parliament that this is an extremely complex process and that in order to redraft pieces of legislation, you have to look at every piece of that legislation and what the new redraft or what the new piece will be and how it will affect other pieces of that legislation.

What I'm particularly concerned about is that we have been forced to present in front of you without having had the opportunity to do that careful review. We are going to be presenting in a very general way. I think it's also unfortunate for you as MPPs that you haven't had that opportunity, in my mind, to have that really extensive review of the effects of this particular bill. But, as you well know, there are other people who will be presenting to you, and they have focused on particular sections of the bill and have done that detailed work on their sections.

The other area we're particularly concerned about is that the government would limit public input in the long term, especially with respect to a bill that proposes a complete, in our view, restructuring of government and governance in the province on both the municipal and provincial levels. So what we see is a change that fundamentally will affect the way in which we participate in political debate and the way we participate in social governance in this province.

We urge the committee to take seriously the presentations that are put before it, including the ones other than ours. We understand that there are a variety of people presenting to you. In our view, that demonstrates the concerns that are being raised. These are concerns that cross the paths of many different people in Ontario: seniors and students, women and men, municipal politicians, union members, social workers, health care providers, parents and teachers.

You've heard the voice of teachers. They have presented themselves on your doorstep, and I think that's a fairly serious approach, for them to take themselves down from Thunder Bay and Timmins on buses to Toronto to tell you that they're concerned. You also hear from doctors and representatives of the police, the justice system and many other independent concerned citizens. In addition, the government has received feedback in the form of a general strike in London, Ontario, on December 11, which I understand is now planned for Hamilton on February 23 and 24.

**Mr Patten:** What time is that?

**Ms Delorey:** Probably 7:30. It's the time people start work.

In addition, you've also heard major church groups who have strongly expressed their concern about the actions of the government with respect to treatment of the poor, particularly those people on welfare and social assistance.

In general, as I understand it, polls have shown that Canadians are not particularly concerned in fighting the deficit on the backs of the people who are the least fortunate in our society. I think people are definitely concerned and have expressed that—that they're con-



cerned about deficits, that they're concerned about financial, fiscal responsibility, as you've probably called it—but that's not to say it's to override the other concerns.

In particular, what we don't want to see is a withdrawal of the input of regular people into the political process at this opening stage in the omnibus bill and then, in a later stage, have no ability to have input as fiscal responsibility becomes the primary goal of this government. So our concern is that you've withdrawn or are attempting to withdraw the democracy process at a time when people are particularly concerned about the actions of this government and the weighing of many different priorities.

Our recommendations generally are for this government to slow down and to look at these things seriously, to determine what kind of society the people of Ontario really want. For the party in power, it's important to really determine what it is that people in Ontario want. What are their priorities, and do those priorities override the provision of health care, education, social assistance?

It's the National Action's Committee's proposal that withdrawal of the omnibus bill would be the most appropriate way to proceed, and then to proceed on reviewing those pieces of legislation which you are concerned about, and to get public input on them in particular. What we want is the ability to participate in the ordinary democracy of Ontario in the way that people have before: to present in front of this committee, but to be presenting about specific issues, not about 44 different pieces of legislation.

As I said at the beginning, the two particular concerns of our group are focused on the democracy issue, which I've highlighted, as well as the economic security issue. These two issues are of particular concern for groups which are concerned about the welfare of women in Ontario. In our view, Bill 26 constitutes a frontal attack on the economic security of women, as well as their ability to participate in democracy.

As you well know, women had to fight to get the vote in Ontario, the vote across Canada. Women also had to fight and have had to push in order to become representatives in our Parliament in Ontario. That is something that women have had to work hard to do, and it's not something that we're willing to say we'll give up with a stroke of a pen on one bill. What we see as important is participatory parliamentarianism.

1410

The other concern we have is that the bill, in our mind, overrides a lot of the international commitments made by the governments of Canada. Those commitments are to women's economic, social and cultural wellbeing, particularly being the Convention on the Elimination of All Forms of Discrimination Against Women. As you'll see in our brief, we highlight the commitments that have been made on behalf of Canada and by Canadian governments to ensure that policies that are designed by government do not adversely affect women when we're trying to respond to changes in the global economy, trying to respond to the fiscal situation.

In addition, the convention and the commitments ensure that economic and financial policy should not adversely affect poor women. They focus on providing publicly funded quality day care as a fundamental premise of a society. They focus on establishing and strengthening

measures such as shelters to help survivors of male violence against women and children. We talk about providing support services for women with disabilities, providing equitable access to services, education and training, and stimulating and supporting women's non-governmental organizations, because through women's non-governmental organizations, and in particular through NAC, this is the way that women have participated in the governance of Canada and Ontario. Not all women choose to be elected to Parliament to participate in that process. This is the other way that women participate in the political process: by being involved in groups that are bringing their issues forward.

With respect to the issue of democracy, we're particularly concerned about the centralization of power with the cabinet, and in particular with respect to the centralization of power to specific individual cabinet ministers. So the ability of one specific cabinet minister to take power and to make actions individually is of concern. When you have a Parliament, the purpose of having a Parliament is that people act as a group to design law and design the functions of the government. To take that away and move it into individual power, we have a real problem. Individual power is not something that's supported by the history of democracy in Canada. We think that's of particular concern in this bill.

There are also elements of the bill that eliminate government accountability to the public. There are changes to the freedom of information act that we're particularly concerned about. That's a place where women have had access to find out what's going on in government, to find out about some decisions that affect them, to get more information. Removing that access eliminates the ability of women to participate in their government.

As I said earlier, women traditionally have not been high participators in governance, in Parliament. Only 18% of parliamentarians are women. In this government, only four cabinet members are women. NAC met with one of these cabinet members yesterday, who said to us that the concerns of women were on the agenda with this government. It's really difficult to understand how they can be on the agenda at the same time as being cut down by the omnibus bill. So it's really important, if that is a serious part of your governance, that in fact you carry that out. Saying women's concerns are important or violence against women should be ended is not good enough, to just make that statement. What we have to see is some action, and we have to see some action on this bill, in our view.

We've seen, since the government has moved into power, removal of two particular groups that have participated in advising government on issues. One was the Ontario women's directorate and the other is the Anti-Racism Secretariat. As I understand it, the Anti-Racism Secretariat was completely disbanded and the women's directorate has received reduced funding. In addition, there has been cancelled committed funding to a variety of women's groups and women's services. If access is being denied at each of these stages, either through the omnibus bill or through the removal of advisory groups within the government, then we continue to see an undercutting of the access of women to government.



We're particularly concerned with, and ask that you recommend the withdrawal of, the proposed changes that deal with democracy that particularly affect women, those which recommend centralization of power, as in to cabinet ministers on the whole or individually, those which eliminate the right to referenda, those which limit legal recourse of Ontario citizens against arbitrary decisions, those which insulate government officials from judicial review and those which limit access generally of Ontario citizens to the government.

As women, our democratic rights are much too important to be given away through a very intricate process, and that intricate process and difficult process is the one that's outlined in this bill. It will not only make people's access more difficult, but more complex. So then you have a change, people having to deal with a change as well as dealing with a reduction of their rights and access.

With respect to the economic security issue, our concern is this 30% tax cut and the balancing of that against the concerns and economic security of women in Ontario. We've given an example in our brief where if you take a chief executive officer making \$1 million a year, which we have in our banks, he would receive a tax rebate of \$63,000. This amount eats up the savings that could be made by cutting welfare benefits for 17 single mothers with two children, 51 people altogether. All of those people will be the people who are paying for the tax break for one business executive. That's extremely important to understand, that there are numbers of people who will be directly affected by pursuing this tax cut.

It's our view that the government did not suggest in their election campaigning that this was the balance they would be bringing to the budget: "We are going to cut single mothers. We are going to cut people off of welfare. We are going to affect those people who are most vulnerable in the society in order to give you people who have jobs, who are making some money, a tax cut." As you remove jobs and remove people from the workforce, you're going to have fewer and fewer people to provide the tax cut to. I suppose that's better for your budget, but it's not better overall because they end up on welfare.

There are several groups presenting to you that deal with particular services that are of particular concern to women: day care services, libraries, municipal centres, sexual assault centres, hospitals, homes for the aged, health care, transition houses etc. We particularly support the briefs that have been provided and will be provided to you by the Equal Pay Coalition, the Feminist Alliance on New Reproductive and Genetic Technologies, the Ontario Coalition of Senior Citizens' Organizations and the Ontario Health Coalition.

Particularly, what you have to understand is that if you're going to be cutting these services, these are the services that are used by people who don't have a lot of money. If I have money, I can go ski. I can join a ski club and I can join a workout club and I have lots of ways of creating recreation in my life. If I don't have a lot of money, I'm going to be the person who's using your library. I'm going to be the person who uses the services at the municipal level. I'm taking my kids to the rink. Those are the people who are affected. The people who have money have access to other services, and the

cutbacks of municipal services or library services can be accounted for in their personal budgets, but they can't be accounted for in the personal budgets of people who are living on social assistance or close to the line of social assistance.

1420

When you look at what jobs are being cut through restructuring, you're looking at a lot of jobs that are held by women. In the health care field, 80% of the jobs are held by women, and when we think about health care, that's a lot of what we think about. There are women providing our health care services. Libraries and day care centres—those are the places where women work and those are the places where women have found employment that pays, employment that supports them and their families and employment that's safe. To the extent that they're unionized, they've been able to set up sexual harassment programs, they've been able to set up non-discrimination programs, so that they've had access to create a better working environment for themselves.

Those are the concerns—that where you're cutting on one hand, you're going to end up putting women on the street, putting women on welfare. You're going to end up with those particular women, the women who were earning and paying your taxes, taking money, having to take money because they don't have jobs.

The unemployment rate for women in Ontario is nearing the 10% figure. For young women, it's near 14%. We see that increasing because a lot of the jobs that are being cut are what are called part-time work, what they've called the "frills" work. That's the work that women have been doing and it isn't frills work. Those are the people who are going to be most affected by this. Then, if you look at the other side, if you cut child care, if you cut library services, if you cut money to women's shelters and you restructure that, you also have the rope tightening from both sides. You have them losing jobs and not having access to services, but you also have the services decreasing or being eliminated. That's of particular concern.

As well, the Bill 7 restructuring has affected the particular participation of women in the workforce. That has affected—and I heard some discussion as I came into the room—the ability of arbitrators to make decisions in interest arbitration, but it also carries through in this bill, in our view, because as you privatize and give more powers at the municipal level to privatize and to move to a private contracting method of delivering those services, then you don't guarantee any women's jobs and you certainly don't guarantee that their rights as union members would be shifted. The fact of the matter is that for women's employment and women's pay, unionization has been the greatest eliminator of the wage gap for women. No pay equity law can touch what unionization has done for women. So if you remove that, you create this economic effect for women.

For unionized women, the wage gap is 15%; for non-union women, it remains a staggering 30%. If you've heard the most recent statistics that have been released, for the first time in many years the wage gap has increased between men and women. That's astounding, and that's with pay equity already in place for some places.



We've addressed in our brief some of the issues regarding pay equity and, as we walked in, we heard some of the panel's questions. Our concern about the wiping out of the proxy system in pay equity is that you take the jobs that have been the lowest-paid women's jobs, the women's ghetto jobs—the libraries, the day care workers—and you say that's going to be capped, the money you give them. But you've already determined that they're actually owed a lot of money. It's completely inappropriate in our view to say, "You're owed a lot of money," and then pay them 3%. In fact, in our brief we highlight a Manitoba Court of Queen's Bench decision which says that once you figure out how much you owe them and then you cap it, you actually are running contrary to the charter, because you've already determined that they've been discriminated against. You say, "Yes, you've been discriminated against, but we're only giving you three cents on the dollar for what you've been discriminated against." We discuss that in our brief and find it of particular concern. I think you should find it of particular concern, because I can assure you that if you don't fix it, someone else will be taking you to court over it.

I haven't left very much time for questions, but I want to just summarize that overall we're particularly concerned about the economic security and the democracy issue. We're accepting questions from the committee to the extent that you have them.

**The Chair:** You're right, you haven't left too much time. We do have a little more than a minute per caucus for questions and responses. The government caucus.

**Mr Young:** I hold out some hope for equality of the sexes and the reduction of discrimination in society. I'm not sure of the exact age group; I think it was age 30 to 44. University graduates who are women—1993 I think it was, Stats Canada—are now making more money than men, slightly more money. Don't you hold out some hope with regard to discrimination, seeing that that's a reality?

**Ms Susan Genge:** This is the stat that says if you're that age group, you're unmarried and you don't have children?

**Mr Young:** Yes.

**Ms Genge:** That those 42 women earn more than 40 men? It's such a tiny slice of the population of women that it's not significant overall. If you take the whole population of women, the situation is not good and not getting better. In fact, for the first time in 30 years, the wage gap overall for women is increasing. It's shocking actually.

**Ms Delorey:** Can I just make one brief response as well? I note that it's university graduates. This government's proposed cuts to university funding. So if we're going to get women into university, cutting funding is not going to do it.

**Mr Patten:** If I may, let me congratulate you on your paper. It's an excellent paper. I would also suggest that while we would expect you to address women's issues, you've really highlighted an overall principle that affects everybody, regardless of men or women, especially on the democratic front and the loss of parliamentary authority to the Legislature, which means everyone is diminished by this.

I think you have a very powerful statement in terms of the example of why we are facing these kinds of cutbacks when you relate this to the tax rebate. You take someone with a very high salary, the people who have will have more, and those who will pay for it will be those people who have less or really need some help at this particular stage.

Given that we only have one minute, I want to congratulate you on your paper. I think you've done an excellent job. Thank you.

**Ms Delorey:** Thank you for the feedback.

**Mr Silipo:** The minute that we have probably won't give us time for much of an exchange, but you may have heard earlier the exchange that we had around the proxy pay equity. I was struck by hearing for the first time, I believe—I was trying to recall back, but I think it's the first time that we heard the defence that was given today by the government members for the elimination of proxy, which is that it wasn't working but that they've got something else in mind. I don't know what that something else is. It would be interesting to know what it is. Do you have any inkling that they've got something else in mind?

**Ms Delorey:** The only other thing I could see that would be helpful is, just pay women the money they're due. That's the easiest. You don't want to have all this complex—pay them. If that's what you're saying you're going to do, great, but I don't see that.

**The Chair:** Thank you, ladies, for coming today and making your presentation to the committee.

1430

**Mr Silipo:** On a point of order, Mr Chair: We had, as you recall, when we were back in Toronto some discussion in the committee about asking a number of ministers who had not appeared before the committee. Particularly, we raised the fact that the Minister of Labour, who is responsible for pay equity, had not appeared before the committee to explain the government's actions. I just want to reiterate my request to have the Minister of Labour appear, particularly so in light of Mr Sampson's declaration today that the government has some other thoughts and some other ideas with respect to proxy pay equity.

I think it would be useful for us to hear from the minister responsible, as we begin next week, perhaps, clause-by-clause hearings, what those other plans are so that at least it would give us a fuller picture of what it is that's driving the government to eliminate proxy pay equity provisions from the laws of this province. I don't know what the procedure is. Do you need a formal motion, Mr Chair, to do that or is that something that's being pursued in light of our earlier request?

**The Chair:** I do recall that earlier request—I believe it was made during our first week of meetings in Toronto—as to whether or not ministers would be appearing in front of committee during clause-by-clause. Do we have any kind of response to that, Mr Sampson?

**Mr Sampson:** I am going to have to look back at the Hansard and see what we agreed to do. I don't recall us committing to have the ministers there during clause-by-clause review. I don't recall that, but I'm going to have to go back to Hansard to determine—



**The Chair:** I don't think that was the commitment made. I think it was agreed upon that we would inquire into that, though.

**Mr Silipo:** That's why I requested it. I don't think there was a firm commitment from the government side that the ministers would be present. They couldn't commit the ministers to be present, but there was, I think, a clear understanding that the request would be passed on. I'd like to hear back as soon as possible as to whether, for example, the Minister of Labour will be appearing. If not, I'd like to know that. I hope she will, because as I say, I think there are some significant issues that I would like her to address, in view of what's being said particularly today around proxy pay equity.

**Mr Phillips:** My recollection was—I forget the language—that the appropriate ministers would be there to outline their amendments in clause-by-clause. I think if we look back at the wording, that was an undertaking we did get from the government, that on Monday morning the appropriate ministers would be there. I remember this very well; it looks like there's some shaking of heads over there. The thing we said from our side was that we would not insist they be there the entire week, but there was a clear undertaking they would be there Monday morning and they would outline the major amendments.

I'm sure we can find that language in Hansard in five minutes. It was either the first day of hearings or the Friday.

**Mr Gerretsen:** I heard it too.

**Mr Sampson:** Maybe we could have Hansard pull up that record. We'll see what was said and we'll respond when we see what was said. I just can't remember back. There was a comment made with respect to whether ministers were going to be there, but I can't recall—

**The Chair:** Can I ask the researcher to find that.

**Mr Silipo:** Except, Mr Chair, with respect, the issue I believe is not so much what was said or what wasn't said. Regardless of what was said, whether it was an undertaking, whether it was a request that would be passed on, I want to be very clear: I would like to have the Minister of Labour at least appear before the committee at some point next week to talk to us about proxy pay equity. I would certainly concur that it would be useful for the Minister of Municipal Affairs, for example, to also appear and justify the amendments he's making and the amendments he's not making. That I would certainly agree with, but I don't want to get confused here in terms of what was said and what wasn't said. I want those ministers and other ministers who have responsibility for this legislation to appear before us and explain to us their actions.

**The Chair:** I believe Mr Sampson has agreed to pass that request forward.

**Mr Gerretsen:** Point of order: It's just on that last point, just so there's no misunderstanding. I don't think we want them all there at the same time like the last time. They were there for two hours and only two of the ministers got asked questions. I think it would be much better if they came at separate times so that full attention could be paid to the minister who's actually there and they wouldn't be under the same kind of time constraints.

**The Chair:** Duly noted.

**Mr Sampson:** I've noted it here, but I believe that we would be reviewing clause-by-clause in accordance with the schedule. It would seem to me appropriate that if they were going to be there, you would have the Minister of Labour there for the labour issues, not necessarily the less—I'll review that, take the request and deal with it and try to report back to the committee.

**The Chair:** Thank you, Mr Sampson.

#### GRAHAM CORKE

**The Chair:** Would Graham Corke please come forward. Welcome, Mr Corke. I apologize for the delay. You have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for response and questions from the three caucuses. I'd appreciate it if you'd introduce yourself for Hansard and committee members.

**Mr Graham Corke:** My name is Graham Corke. I'm an elector in the riding of Nepean. Although I have a PhD in economics, my presentation will be made to you today as an elector. I feel my views are representative of many of my neighbours and fellow electors in Ontario. I have no association to represent me. Over the last 20 years, I've been a part-time instructor, student and small business owner. The fact that I am here today is a tribute to a government that will allow a private citizen who really has no other voice an opportunity to speak. Like persons in similar circumstances, I have often felt or been ignored by bureaucracy.

I fully support many of the provisions of Bill 26. Last week, I had the pleasure of listening to your hearings. I will be rational and specific in my representations. I'm not here to demonstrate or to remonstrate. Even if I were opposed to aspects of this bill, my opposition to it would address those sections of it with which I take issue. Further, I will respect your civility by giving you reasons for my support or lack of it. I will not characterize the legislation or weep or call you names. My representations are to you, ladies and gentlemen, since as a sole elector I have no other audience.

Ontario has changed dramatically since the days I grew up in the small incorporated village of Bronte, Ontario. Fishing and farming were gradually being crowded out by manufacturing as the primary employers. Our village council met in the basement of a local public school. If you wanted to discuss local affairs, you could do so at the barber shop or the local restaurant, or even at the local harbourmaster's house where we often gathered on a Saturday evening. Between periods, the conversations usually turned to politics and were lively indeed. And there were all elements of the spectrum there; all parties were represented.

Since those days, people generally believe that we have progressed, that government has matured and become more professional. No doubt some of this professionalism in government is necessary. One of its effects is undeniable: The citizen has been further and further removed from decision-making. I saw Ontario gradually carved up into jurisdictions of one sort or another, all with their own elected officials and their non-elected and seemingly



perpetual professional retinue. Government, in my opinion, became less democratic at all levels. Gradually it seemed that the overseer responsibility of legislators was more and more delegated to professional regulators who had no direct accountability to the electorate. Departments seemed to clone new departments, at all levels of government, which in their turn spawned committees and boards. Unfortunately, our ability as taxpayers to properly monitor this increasingly complex machinery did not grow at the same pace.

At the same time, our public indebtedness grew to its unimaginable present size of \$100 billion—roughly \$10,000 for every man, woman and child in Ontario. At the present deficit rate of \$1 million per hour, this debt increases by \$1 billion every 42 days. The burden of this debt, if allowed to grow at its most recent rate, could soon be about half average home mortgage payments.

For me this is a crippling and staggering fact, simply because in order to carry this debt, the government would need to expropriate, through taxation, the income I need to prepare for retirement. I have no pension other than CPP. I don't want the government to look after my interests. In my opinion, in the past the government has shown itself to be ill-equipped to assist and indifferent to my welfare. Now, if this public debt remains and grows, government will take from me, through increased taxation, the moneys that I will need in my declining years just to pay the interest on the government's past excesses. That's the point. It's staggering, ladies and gentlemen. This fact is pure and simply staggering.

In light of these facts, I and other Ontarians applaud the government's expenditure and taxation reductions. The opponents to this bill have characterized it as draconian, a plague. From my financial perspective and the perspective of many Ontarians who are self-employed, operate small businesses or work in an unorganized sector and must provide for their present and future welfare, it is a welcome plague indeed. Further, the characterization of my fears regarding the present size of the debt as "deficit hysteria" is a cynical response from many who are represented by powerful lobbies and whose pensionable futures are already well assured.

Let me say that if I were wealthy, I could cynically encourage you to spend and spend, eagerly awaiting the next rise in the interest rates when you were forced to borrow on the bond market. I would then collect a relatively high, risk-free rate of return. No, the wealthy have little to gain if this bill is enacted, but I stand to lose a great deal if it is not. Indeed, many of the opponents of this bill, represented by powerful lobbies, might be more readily placed in the wealthy category than myself. I could make one other point here, and that is that they are more able to shift the burden of the tax on to people like me because they have the representation to you, as other unions and other associations, and they have more power in setting their own tariff. So in effect I will be accepting a burden that they could shift to me.

1440

The other point that should also be considered is that the true burden was never really revealed. I see now that it's \$100 billion. The former government was telling us something else, that deficits were in the range of \$6

billion to \$7 billion, and now we see even last year it was in the range of \$10 billion.

Now I'll speak to some particular amendments and statutes.

Schedule A: The Public Sector Salary Disclosure Act will force accountability on government departments, crown corporations and arm's-length corporations which operate as agents of the government. The taxpayers are the de facto if not the legal stakeholders in these institutions, and these institutions must be accountable to the taxpayer. These departments and corporations provide services and products generally in a legislated monopoly market or in no market whatsoever. Any legislation that increases the ability of a consumer to monitor the costs and provision of these services and products can do nothing but increase the economy and efficiency of supply.

The private sector lives with the discipline of the market and consumer choice and, as a result, constantly strives for economies. However, in the public sector, mandatory consumption leaves the consumer without his or her most powerful weapon, the choice not to consume. Any bill which increases the ability to monitor institutions will increase efficiency and economy.

Ontario's recent experience with rapidly increasing power rates is a perfect example of the need for public sector or crown corporation monitoring. The rapid escalation of power rates has reduced consumers' standard of living. I just got my bill for my cottage, and I think it literally had doubled in a year, when consumption rates are almost the same. I haven't looked into it closely, but I'm asking myself, if this is the situation, how are producers reacting? How can they deal with escalating rates like this and maintain their ability to compete in both North American and world markets?

Schedule K: Likewise, amendments to the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act will increase the ability of citizens to monitor the activities of departments, crown corporations and these arm's-length corporations. Specifically here, I suggest that freedom of information provisions be explicitly extended to those corporations that have been granted a monopoly to provide a service or a product to the Ontario consumer by the government. Such corporations are established as private, non-profit, non-share capital corporations acting as agents for the government. I prefer to be served by a corporation disciplined by accountability to its stakeholders or its shareholders.

The privacy commissioner has expressed reservations about the bill. However, it seems common sense that greater access to information is the hallmark of a government that wishes to further democratize the decision-making process. This government, I believe, is responding to its electors, who have clearly stated they distrust decisions made by an insular bureaucracy behind closed doors. The legislators are directly accountable for their decisions at election time, as we all know; the bureaucrats are not. Further, totalitarian states don't generally increase the access to information regarding their activities.

I suggest the position of privacy commissioner be retitled to privacy and public access to information com-



missioner, and that his or her role be mandated to include the study of information access on democratization, as well as the impact of such legislation on the individual rights of privacy. Surely these rights need to be balanced.

Further, opponents to this aspect of Bill 26 seem to have completely ignored the impact of modern technology on the public's desire and ability to acquire knowledge. Is Hansard on compact disk, for example? Have online information services been established by government departments and crown corporations? For approximately \$200, today's electorate can purchase a vintage XT or AT computer complete with a modem that would enable them to access data remotely. The public knows the cost of access is decreasing and they expect—indeed they want—this access to be provided. In other democracies, in some jurisdictions, the town hall has become the electronic town hall. This legislation begins to respond to a demand for more direct democracy that is impacting not only Ontario but democratic states throughout the world. Perhaps this is a reason why lobby groups and other political intermediaries oppose it. Legislators who can respond directly to electors diminish the need for these groups.

Schedule M, amendments to the Municipal Act and various other statutes related to municipalities, conservation authorities and transportation, and schedule E, amendments to the Capital Investment Plan Act and the Highway Traffic Act related to toll highways: The amendments provided in this schedule will enable local governments and boards to rationalize the delivery of services. I support user-pay provisions. Somehow, the term "user pay" has become a demon in the eyes of opponents. Typically, when purchasing a product or service, I evaluate the benefits and costs to me. If the benefits exceed the cost, I pay for the product or the service and I use it. We all do it every day when we buy a meal or anything else.

Efficiency, to me, is the ability to accept or decline the product or service at the price offered. Any legislation that gives me more choice as a consumer increases the democratization of the marketplace, in my view. Indeed, it puts the providers on notice that they had better respond to a market if they wish to remain providers. A market provides the most effective discipline to the producer of goods and services. If circumstances exist such that a market can operate, it should.

These amendments enable municipalities and boards to sell products and services, and I as the consumer can either purchase them or not purchase them. The mandatory consumption and production of goods and services is not the hallmark of a free society, in my humble opinion. If there are individuals who need income support to purchase needed products and services, they can still obtain it. Opponents of these amendments most likely feel that the demand for mandatory services is just not there, and if consumers have a choice, these producers will be out of business.

The act also enables governments at various levels to trade in services for a fee. This will enable the most efficient, least-cost producers to provide these services.

I strike out the references to the problems with the taxation, although economically speaking, if one municipality imposed a tax and another didn't, it would be economically unviable. Now the government has introduced amend-

ments to the bill that prohibit poll taxes, sales taxes, gas taxes and income taxes, so there are no problems there at all. But the fact that we have such close proximity to the US border, or even to the Quebec border, for that matter, mitigates the provision of certain kinds of taxes.

The amendments to these statutes—that's the amendments to the Pay Equity Act and amendments to various statutes with regard to interest arbitration—will either create greater efficiencies by permitting a market to more properly function, or constrain an arbitrator to consider market forces when making an award. When prices are at competitive market rates, the volume of trade increases. That's just a fact. This legislation will have the effect of increasing employment by constraining an arbitrator to set a rate commiserate with prevailing economic conditions. One immediate effect will be to either allow employees to capture economic returns for skills in short supply or to continue to work if they are not.

Arbitration awards have not appeared to always consider economic forces in the past. It has never been clear to me that the arbitrator in these cases had a clear understanding of market forces. This legislation forces the arbitrator in labour disputes to provide an economic rationale, and even if he or she does not possess this expertise, they must now seek it. The legislation will more easily prevent awards from being set at artificial levels, with the inevitable subsequent electoral and taxpayer malcontent that such awards bring with them. You shouldn't discount that, because many people who are not in organized sectors will see these kinds of awards and have no power to obtain those kinds of returns. They'll see a non-market rate set by an arbitrator and, believe me, they just don't like it one bit. In short, fairness to all is more easily obtained.

Amendments to the Pay Equity Act will ensure that persons who invest in the acquisition of expertise will see employers consider this as the primary consideration when hiring individuals for positions demanding this expertise. In addition, minority groups will not be crippled by disincentives to acquire expertise. Anti-discrimination laws which apply to the provision of educational subsidies and the like remain to give individuals equal opportunity to acquire skills. There's no evidence—we've seen it today—that the proxy method in any way enhances the returns to individuals. It's impossible to quantify. In fact, various other presenters have said that the legislation doesn't seem to have worked.

1450

Recommendations: I believe Bill 26 could be strengthened by providing the government with more power to audit the uses of municipal and educational grants in a manner similar to the audit procedures that are recommended under the statutes applying to the health sector. In this way, Ontarians could be assured that funds were used for the ascribed purposes and no fraudulent claims were made. Policy implemented using provincial funds can be re-engineered in ways not consistent with the objectives of provincial electors, and every effective penalty should be provided and enforced on those boards and/or municipalities which persist in contravening both the letter and spirit of a provincial statute. I would



recommend the appointment of special auditors in both the educational and municipal sectors.

I urge you to review the bill carefully, accepting those constructive criticisms that have been made by other submitters and that are consistent with the aims of the legislation. I ask that you maintain the overall goals and objectives you have formulated for Ontario and that you do not waver or allow yourselves to be bullied from these objectives by powerful lobbies or interest groups.

Finally, I thank you for your kind and generous attention to my remarks. I would be pleased to answer any other questions that the committee might have.

**The Chair:** We have just a little better than four minutes per caucus for questions. We start off with the opposition caucus.

**Mr Grandmaître:** One short question. On page 3 of your presentation, you refer to our present indebtedness, the total deficit of the provincial government, adding close to \$100 billion. A man of your stature, with a PhD in economics, do you agree that the provincial government should continue to borrow \$5 billion a year for the next five years in order to meet its 30% provincial income tax cut?

**Mr Corke:** For me, if I had run a company—and I'll draw that analogy—and I had not informed the shareholders of the true indebtedness of the company, and then they had no idea that the present situation was a \$100-billion—

**Mr Grandmaître:** No, no. They knew this. They knew it.

**Mr Corke:** No, I'm sorry. I as a taxpayer did not know. I just recently calculated the burden of this on myself and I thought, what's going on here?

*Interjection.*

**Mr Corke:** Excuse me. You had your opportunity to speak, and I'm coming here to speak. You asked the question and I'm answering it. There is such a thing as a courtesy.

The point is just this: I didn't know what the true size of the deficit was until the recent figures, the total debt. The deficit, incidentally, is the \$10 billion and the total debt is the \$100 billion. I had no idea. Then you take a look at the overall impact of that. You have to sit down and think about it for a few minutes, and you say, "Hold it, what's going on here?" Basically, if they want to pay this back, they're going to have to clobber me. I have no way—I can't go to my police association or any other bargaining unit and say: "Hey, get this back for me. Take a stance." I pretty well have to go to the marketplace and get it there. And you're saying to me, "How would you respond?" Well, this is how I'm responding.

I'm telling you, I would provide it, because as a taxpayer I'm entitled to it. You're taking from me the money I need for my retirement. You would say, "No, you don't get your tax refund. Basically that's the situation, because we have to provide certain kinds of services," but you never revealed to me the true extent of indebtedness. That's over the last two governments.

**Mr Grandmaître:** I wish you had answered my question.

**Mr Patten:** My question would be, you characterize this government as promoting great democracy, and on

page 6 you talk about the privacy commissioner's expression of certain reservations. I would say to you that there is no government, in my opinion, in this country that has undercut parliamentary democracy as significantly. The Minister of Health himself, or herself, can make any decision without any future reference to the Legislature of this particular Parliament in Ontario: can close hospitals, can change fees, can tell doctors where to go, can change the whole shooting match.

You're saying to me that access to information is the worry of the commissioner. In fact, this government is proposing to close off access through charges, through having no appeal for any decision that a minister may take, or a commissioner appointed by a minister. How can you say that this is a move and a great move for democracy?

**Mr Corke:** Any move that increases the accountability of either a bureaucracy or a legislator to its electors is an increase in democracy. In other words, basically, if I can go and ask for information which, for example, would show me the books of the Ontario New Home Warranty Program or things like this and I could see whether or not certain kinds of decisions were being made and they cannot act in a way that subverts the intent of democracy, that increases it.

**Mr Christopherson:** Thank you, Mr Corke. I apologize for not being here for all of it. I came in shortly after you started. I'm sorry. I did hear most of it and I've had a chance to catch up in reading it.

If I have time, I'd like to raise two questions, one for sure regarding your statements on page 3 where you talk about the deficit, the \$100 billion, and—

**Mr Corke:** Excuse me. That's the debt, the increase to the debt.

**Mr Grandmaître:** The indebtedness.

**Interjection:** The debt and the deficit, they tend to go hand in hand.

**Mr Christopherson:** While I have great respect for your degree and your education, and it's much greater than mine, I did spend two years as parliamentary assistant to the Treasurer and so have some understanding of how the economics of the province work.

Some of us still have a great deal of difficulty understanding one particular important thread that this government seems to want to put through everything, and that is that if you accept that the debt and the deficit are in a crisis right now—which we don't, but that's what the government suggested; it's a crisis, not a problem, an absolute crisis—and if you further believe, as the government does, that we have to reach a zero deficit and eliminate the debt as quickly as possible regardless of how many people get steamrollered in the process, which again we don't agree with, but if you do, then many of us still fail to understand why, if that's the case, if there's such a crisis, the government seems to think it makes common sense to give a 30% tax cut before it deals with the deficit, which of course then helps to alleviate the debt. If you're a supporter of that, can you help me understand how that makes economic sense?

**Mr Corke:** Yes, very easily. Basically, it will give me funds I need to put in RRSPs to pay for my retirement that I'll get no other way. So it's as simple as that, and



there are many, many people out there—don't discount them. They may be plasterers, they may be carpenters, they may be all kinds of people working in sectors who are not necessarily union people. I operate my own small business in computer consulting. I have to go to the market to get my return.

**Mr Christopherson:** Without getting into a debate—

**Mr Corke:** Without getting into that debate, what I'm saying is that I have to get my return for the market and you're saying to me, "Why do you want some money now?"

**Mr Christopherson:** No.

**Mr Corke:** The thing is basically now—

**Mr Christopherson:** That's not my question, sir. My question—

**Mr Corke:** You're saying, why does the government want to give a 30% tax reduction now when they say it's a crisis?

**Mr Christopherson:** If the debt and deficit are such a crisis, why not put that money towards the deficit and the debt first, eliminate the deficit, get the debt under control, and then give the tax cut? That's what a lot of us fail to understand.

**Mr Corke:** We were deceived, sir. We were deceived. We did not know the extent—

**Mr Christopherson:** "We" being who?

**Mr Corke:** Myself and many of my neighbours. We didn't know the extent of this indebtedness. We didn't know that it was \$100 billion and that the true load of it would be like half a mortgage payment if it continued to grow. If we allow this to grow, by the end of the century we could be looking at \$300 to \$400 a month.

**Mr Christopherson:** So regardless of whether or not this is the right thing to do, the government's going to march ahead, but you're saying had they known, they wouldn't have made that kind of promise because it doesn't make sense?

**Mr Corke:** I don't follow your question. Had the government known what?

**Mr Christopherson:** When I said, "Why do you think this makes sense, or why would you support that?" you went on to tell me you didn't know the level of indebtedness. My question would then be, if you did know the level of indebtedness, and I have no reason to question your word, of course—

**Mr Corke:** If—

**Mr Christopherson:** Let me finish.

**Mr Corke:** Okay.

**Mr Christopherson:** Then would you agree that had the government known those numbers, and I would suggest they did, they wouldn't have done this, because it doesn't make any common sense? Would you agree with that?

**Mr Corke:** No, I wouldn't. I mean, the thing is, the point of this is—

**Mr Christopherson:** It doesn't make sense to give tax revenues back before we deal with the deficit.

**Mr Corke:** That's exactly what I just said.

**The Chair:** Order.

**Mr Christopherson:** Would you also agree the deficit is the absolute most important priority facing the province? Which is it?

**Mr Corke:** Quite frankly, you just asked me the same question. I guess the question is, what makes up the debt? Is it transfers to individuals? What we've seen in Ontario is the failure to develop infrastructure, and so what's been happening is that moneys have been transferred to individuals and this has not developed the needed economic infrastructure—

**Mr Christopherson:** That's not the question.

**The Chair:** Excuse me, Mr Corke.

**Mr Corke:** You say it's not the question, but to me it is the question because the economy's ability to produce—

**The Chair:** Excuse me, Mr Corke.

**Mr Corke:** Excuse me, and your ability to produce—I'm sorry, sir.

**The Chair:** It's okay.

**Mr Corke:** I mean, I feel harassed here.

**The Chair:** We have a certain amount of time for each caucus and we're moving into the government's time. I must move to Mr Sampson for questions.

1500

**Mr Sampson:** Kind of a related topic. On page 3, you indicated at the bottom that the "deficit hysteria" is a cynical response from many who are represented by powerful lobbies and whose pensionable futures are already well assured." Have you ever had a chance to look at who owns these IOUs we've been doling out as the government?

**Mr Corke:** Basically, you look at the pension funds. You own a lot of them, the teachers' federation and people like that.

**Mr Sampson:** You said the public didn't know the size of the debt. I believe a lot of people don't know what \$100 billion looks like. I worked in the banking business for a number of years, and I daresay I don't know what \$100 billion looks like. I know what a dollar looks like. Would you be surprised to hear that somewhere in the neighbourhood of 40-odd billion dollars of our debt is actually owed to public union pension funds?

**Mr Corke:** I wouldn't be surprised at all. In fact, that's what I would have expected.

**Mr Sampson:** But tell me, how do they feel secure in their future with respect to the value of those pension funds, given that credit ratings over the last number of years have decided, "We're going to take you down a notch"? That debt's worth less—three times over the last five years. Do you think there's been an impact on the ability of the individual to get that money back when he or she retires, because the value has gone down?

**Mr Corke:** Certainly there would be that impact; that's right.

**Mr Sampson:** I'm talking about public union pension funds, but if you really peel back the numbers and you spend some time looking at it, a significant amount of the population of this province—in spite of a conception that we owe all this money to the Japanese and the Europeans and the Germans, a significant amount of the money we owe is also buried in RRSPs that you and I may or may not have—some have higher amounts; some don't—that we're stashing away in the hopes that that money will have some value when it comes to retirement.

**Mr Corke:** Exactly.



**Mr Sampson:** So isn't it important to try to protect that value? If we don't, we're all going to be coming up to that pension wicket, and the guy behind the pension wicket is going to say, "I'm sorry, for that dollar you put in 10 years ago, here's 90 cents," or 80 cents or 60 cents, and then where are we going to be? We're not going to be able to live on 80 cents or 60 cents. The fact is, we are going to need that dollar to have been \$1.20 or \$1.30 because between the time we put that money in and the time we need to take it out to pay for our retirement, things cost more.

**Mr Corke:** The most dramatic impacts are the crowding out of private investment, the fact that you're encouraging people to just hold bonds and not take risks to get returns. You'd be forced to do that because you'd have to go to the bond market to finance this debt, and if you didn't want to tax to pay it back, you'd have to say, "Borrow it," and they would only borrow at higher rates because of the increased risk.

**The Chair:** Thank you, Mr Corke, for coming forward this afternoon and making your presentation to the committee.

#### OTTAWA PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Chair:** May I please have representatives from the Ottawa Professional Fire Fighters Association come forward. Good afternoon, gentlemen.

**Mr Bill Cole:** Good afternoon. My name is Bill Cole. I'm the president of the Ottawa Professional Fire Fighters Association. I'm a full-time firefighter in Ottawa. With me is Ken Currie; Ken is the vice-president of our association and is also a full-time firefighter in the city of Ottawa.

We have a submission; I'm sure you've all received your copy. It's obvious by the thickness of this submission that it's not my intent to read line for line today; however, I would hope that the committee has an opportunity to review it. It does provide quite a lengthy review of the interest arbitration process, specifically the universal rejection of the legislated public sector ability-to-pay criteria. I hope this submission provides the committee with some valuable information.

I hope to cover three topics in my presentation, the first being the ability to pay and its role in the public sector interest arbitrations; the second will be the unprecedented authority that Bill 26 will provide for municipal restructuring; and finally, I hope to say a few words about the process and how Bill 26 will dovetail with the forthcoming changes to the Ontario Fire Departments Act.

For the record, the Ottawa Professional Fire Fighters Association vehemently objects to the Conservative government's imposition of Bill 26, specifically schedules Q and M. We object to the increasing concentration of authority that this legislation gives to either ministers or cabinet to make decisions with little or no public consultation.

I'd like to begin with schedule Q and the imposition of five different criteria on the arbitration process. At the outset, it's important to begin my presentation with a question. Is a public sector employee entitled to a fair and equitable wage? I imagine the response to this question

would be yes. The natural question that follows from this is, does the present system provide for this fair and equitable wage? Also, does the current wage determination system balance the interests of public sector employees, the employer—the government—and, finally, the interests of the members of the public? I will deal with each of these in turn.

Arbitrators across the province religiously guard their role as neutral, objective, credible and unbiased. Arbitrators believe strongly in the value of our industrial relations system and strive to emulate what the parties would have freely negotiated. They guard the interest arbitration system with more vigilance where it is a substitute to a right to strike or lockout. In these circumstances, the concept of free collective bargaining is limited for reasons of public safety. This limitation is endorsed by those providing the essential services, and the interest arbitration process has worked to the satisfaction of all parties. This is evident from the very few dissents that accompany interest arbitration awards.

Let's return to the questions I've asked. Is a public sector employee entitled to a fair and equitable wage? Does the system provide for this fair and equitable wage? Does the current wage determination system balance the interests of public sector employees, the employer—the government—and, finally, the members of the public?

I could say to you that the current system provides all of these assurances; however, being a representative of employees, and to make my point more convincing, my submission contains more than 30 quotes from different arbitration decisions which I hope will drive home our objections with more clarity.

The imposition of criteria clearly fetters the arbitrator's independence in resolving a dispute. In doing so, these criteria will permanently alter the level playing field that is a cornerstone of the free collective bargaining system. It creates an imbalance in the notion of bargaining that has caused some arbitrators to question the purpose of arbitration at all. I'm going to refer to some quotes and I'm going to invite you to turn to some pages, beginning on page 14.

Arbitrator Germaine, a British Columbia arbitrator, stated in a police arbitration case his comments on criteria. He said: "The capacity of the ability-to-pay concept to enable the employer to predetermine monetary issues is so evident that it begs the question of the policy of maintaining the arbitration process at all."

And arbitrator Hope has stated: "Interest arbitrators have consistently resisted the notion that they should make adjudicative determinations based upon government decree. The reasoning is based upon the concept of independence and neutrality."

#### 1510

Public sector employees fear, and arbitrators concur with these fears, that employers will be allowed to predetermine collective agreement improvements in their budgetary process. The arbitrator would be bound, through the ability-to-pay criteria, to respect the employer's determination of what employees would be entitled to receive. Where government is the direct employer, setting its budget so as to leave only a little amount, if any at all, will limit wage and benefit improvements for public sector em-



ployees. At the end of the day, the unilateral authority infringes on the public sector employees' right to a fair and equitable level of remuneration.

Arbitrator Swan made the following statement in a hospital case: "The extraneous influences which may be applied to the resources available to the employer bound by the present arbitration system are such that, either by manipulation or by sheer happenstance, those forces could render meaningless entire negotiation and arbitration processes if they were to be used as a significant basis for the outcome of collective bargaining."

Arbitrator Hope adds the following comment: "In the private sector where the employer in terms of funding the payment of wages and benefits is the provincial government, ability to pay is really a question of willingness to pay."

It is unlikely that employers will be making generous offers for contract improvements. Currently the city of Ottawa has about \$75 million in uncollected taxes. If the city doesn't possess the political courage to begin capturing these losses, it is very likely that employees will go without for a very long time.

The obvious effect of these criteria would be the total dismantling of the collective bargaining process, with arbitrators handcuffed in their attempts to emulate free collective bargaining. At the end of the day, under the guise of criteria, the government is putting into place wage controls.

Arbitrator Shime makes the following comment: "If arbitrators/selectors were to consider the funding level of universities for the purpose of salary determination, they would in effect become handmaidens of the government. Arbitrators/selectors have always maintained an independence from government policies in public sector wage determinations and have never adopted positions which would in effect make them agents of the government for the purpose of imposing government policy. Their role is to determine the appropriate salary range for public sector employees regardless of government policy, whether it be funding levels or wage controls."

Finally, arbitrator Adams adds: "To base wages on ability to pay would force employees to subsidize these services to the public and render interest arbitration...largely irrelevant."

So how do arbitrators reach decisions on wages in the public sector? This is done through the use of comparisons in the local community, comparisons with other bargaining groups in both the public and private sectors, and, finally, with comparisons to other employees with whom the parties have determined a compensation relationship in the past through their own free collective bargaining.

Is the system fair? Academics agree that it is, and on page 8 I have a lengthy quote:

"Fairness remains an essential relative concept, and it therefore depends directly upon the identification of fair comparisons if it is to be meaningful; indeed, all of the generally accepted pleas for fairness inevitably come around to a comparability study. It appears to me that all attempts to identify a doctrine of fairness must follow this circle and come back eventually to the doctrine of comparability if any meaningful results are to be achieved.

"As long as arbitration remains essentially a public sector phenomenon, comparability seems best able to balance the legitimate aspirations of public sector employees against the interests of the public at large in such a way as to ensure justice in the distribution of employment income."

The Association of Municipalities of Ontario has for years been criticizing interest arbitration. They have frequently made reference to large awards granted to essential services, but what they have left out are the numerous awards that were unsupportive of their position. Leading up to the social contract period, more and more arbitration awards were reflecting the current economic climate in Ontario. More arbitration awards were returning denying all wage and benefit requests. In Ottawa, the fire department was decreased by 55 positions due to an arbitration award, a cost saving in excess of \$3 million to the employer.

Certainly, it is difficult to accept the argument that public sector employees are shielded from the economic realities of the community by the arbitration system. There is an old saying in public sector labour relations that public sector employees are the last to feel a recession but they're the last to emerge from a recession.

The second criterion contained in Bill 26 reads as follows: "The extent to which services may have to be reduced, if the current funding levels are not increased." This would be one of the criteria that an arbitrator is bound to consider. Clearly, the determination of levels of service falls entirely outside the capabilities of arbitrators. These decisions are for those elected representatives for purposes of accountability. To require arbitrators to make these decisions will permit elected officials the chance to sidestep politically sensitive questions and arbitration will become a substitute for difficult decision-making.

When an arbitrator is boxed into making a decision to provide a deserved wage improvement at the expense of decreasing the level of service in an essential service, it is more than likely that the employees will be required to forgo those improvements.

By imposing these criteria, as I've said, the government will really be imposing wage controls without having to accept political responsibility for doing so. What's more, the provisions of Bill 26 will be permanent, perpetuating an imbalance in collective bargaining in Ontario favouring public sector employers.

I could speak all day on criteria, but I'd like to move on to schedule M. The Ottawa Professional Fire Fighters Association objects to the government assuming or providing the authority to restructure municipalities without the assurance of consultation in a process that could radically change the public sector employees' workplace.

There is the consistent theme that runs throughout this whole bill: that of not being limited by any other legislation. This seems to appear more in the restructuring section, schedule M. The question is, what other pieces of legislation is this government referring to?

While the government may see other legislation as an obstacle in restructuring, residents and municipal employees see these other pieces of legislation as the codification of rights and entitlements. This government can't expect residents and employees to feel comfortable



with the recurring statement "notwithstanding any other act" throughout schedule M. Does this mean that the government will not be bound by the Fire Departments Act or the Police Services Act? What about the Employment Standards Act or the Ontario Labour Relations Act or the Pension Benefits Act?

In restructuring municipalities, the government wishes to reduce duplication and make better use of limited resources. This is according to the Solicitor General, Bob Runciman. The restructuring process will create confusion as various services blend themselves together. It would seem that this government would wish to do this, to restructure, with as much stability as possible, particularly thinking of the employees who will be experiencing these changes at first hand.

On the other hand, consistent with this government's no-holds-barred approach to municipal restructuring, this may be seen as an opportunity to attempt to strip collective agreements of many of the protections accorded to employees.

Firefighter collective agreements across Ontario frequently outline safety provisions. In Ottawa, we have minimum staffing requirements for our vehicles. The restructuring process should recognize those and not be an opportunity to eviscerate achievements that employees have made in collective bargaining.

1520

With this in mind, the government should expressly state that employee rights will be protected through the recognition of successor rights for collective agreements until such time as those collective agreements are replaced by a single contract in the workplace. It seems logical that a government would wish to mitigate the commotion that will arise in these changing environments.

A number of years ago, police departments in the Ottawa area were required to amalgamate and form a regional police service. Police officers in this area received assurances through the legislation that the amalgamation process would include the recognition of successor rights. As a result, the amalgamation process proceeded with one less major obstacle.

The fire departments in this region will be facing the same position shortly. We will be in the same place the police officers were but without the assurances of successor rights. Fire departments across Ontario have always been the responsibility of the lower-tier government. Municipalities have had the responsibility of running these fire departments for generations, and as a result, the Fire Departments Act has never included a successor rights clause.

Firefighters across Ontario should not be prejudiced by the absence of this protective language, since Bill 26 is the first movement to change these employment relationships. In the interests of stability in the workplace, we would respectfully request that this committee amend the bill to include the language that we have on page 26, the recognition of successor rights.

Finally, I'd like to make a short comment on the process that this bill has taken. People in Ontario, in my opinion, should be offended that the government would have even attempted to navigate Bill 26 through the Legislature with little or no public input. As can be seen

by the numerous objections that this committee and the health committee have received, this is far from being a simple piece of legislation.

Bill 26 will touch every person in the province of Ontario in some manner. It will facilitate the dismantling of the public sector, restructuring municipalities, and has the potential to radically change the public sector workplace. To have even contemplated a process void of public input puts incredible strain on the credibility and accountability of government in general.

I understand that this committee has been thoroughly rebuked for the consultation process in dealing with the changes to the Fire Departments Act that are expected this fall, so I won't spend too much time on it.

I should say that the Ottawa Professional Fire Fighters Association shares the feelings of firefighters across the province. I would like to draw your attention to a series of letters that are contained at the end of appendix B, where president Jim Lee of the Ontario Professional Fire Fighters Association writes to the Honourable Bob Runciman. As you can see at the bottom of the page of that letter, the Honourable Bob Runciman agrees with the firefighters that up to this point firefighters have not been consulted. I am curious to know what has changed between then and now.

I believe that the Ottawa firefighters have been able to present cogent and persuasive arguments in favour of the exclusion of firefighters from Bill 26, or in the alternative, the deletion of the arbitration criteria and the protection of successor rights in municipal restructuring.

The unpredictability of the outcome of many of the provisions of Bill 26 will mean years of instability in the workplace, something that is especially harmful in emergency services. This concludes my comments.

**The Chair:** We have three minutes per caucus for questions, starting with Mr Christopherson.

**Mr Christopherson:** Thank you very much for that excellent presentation. I know the firefighters and the police have been actively participating, as much as this restricted process has allowed them, to raise a number of very legitimate concerns.

I know when I spoke to firefighters in other communities, and the police community, having worked with them when I was the Solicitor General, the one feeling and emotion that comes through is one of being betrayed on a number of fronts, and I think you have every right to be.

From a practical point of view, I can't even understand the politics of this, let alone the substantive issues of integrity that are involved also. How the minister and Premier will ever answer sufficiently to that, I don't know, and I don't know how they will continue to have legitimate dialogue with you in the future, given the kind of trust that it takes to work through a lot of public safety issues.

I think you should know, given the fact that you've made so many presentations across the province, that there still have not been amendments tabled by the government, to the best of my knowledge, that have touched anything that you have raised. Every issue that you have said is a priority so far has been ignored by this government. That means the arbitration issues, it means the user fee, the successor rights, the public safety issues, all of the con-



cerns you have raised, so far this government has ignored. They have not seen fit to offer up a single amendment that tries to mitigate some of the serious, legitimate damage that I think you're pointing out will happen.

By the way, you and others, anybody who suggests there may be considerable or any serious harm to the public is just fearmongering, but at the risk of you being labelled that way by the government members, I want to ask you whether you believe the public has reason to be concerned about their own safety as it pertains to fire services, as a result of Bill 26.

**Mr Cole:** Absolutely, Mr Christopherson. I do share those feelings; I do think the public should be very concerned with the levels of service and what will happen in restructuring.

In the region in Ottawa we have a number of fire departments, each with different levels of service. I believe that as we go through the amalgamation discussions that we'll likely be starting in the next few months, there will be no desire to increase levels of service in the municipalities that may have less service than we have. I think what will be the result at the end of the day is that the high level of service that residents in the city of Ottawa will get will be watered down, to the benefit of our surrounding municipalities. I should add that it is not because of the associations and those locals not trying; it's because all of their concerns about public safety have fallen on deaf ears.

**Mr Christopherson:** The firefighters' association/union and the police association/union are, in my opinion, considered among the toughest, if you will, organizations in terms of representing their members. In other words, they do a very effective job of representing their membership and that's why you're there.

I would say to you, and I would appreciate your thoughts on this, that as a result of the anti-worker Bill 7, which stripped rights that workers have had for half a century in this province, there were no public hearings on that, the rights that are taken away from you here in this legislation, every measure this government has taken has been anti-worker to one degree or another and it seems as if, if they can take you down and they can take down the police and they can take down OPSEU, then everybody else should be an easy fight. How do you feel about that?

**Mr Cole:** I believe a lot of the comments that you've said are consistent with the Progressive Conservative government's anti-union animus that it has demonstrated in Bill 48 and some of the other things. There's been absolutely nothing that's persuasive or conclusive on scab legislation and things of that nature. I could provide you with academic studies that support that. I have very little confidence in our appeal to an amendment on successor rights being successful, because I think it doesn't bode well for employers across the province. I think this is truly a chance at the evisceration of collective agreements. I think the staffing provisions that we have are going to be lost and we're going to have to fight for them.

**The Chair:** Mr Hardeman, please.

**Mr Cole:** I think one reason why our associations are so tough is it's a dirty job—

**The Chair:** Sorry to interrupt, but we have a certain amount of time per caucus for questions.

**Mr Hardeman:** Good afternoon, gentlemen. I was just wondering, dealing with the issue of the amalgamations or the restructuring of municipalities and then the successor right issue, under the present legislation, without Bill 26, if there was a proposal that came forward to restructure or to change municipalities, is there anything that would protect or would produce successor rights for the fire department?

**Mr Cole:** As I've indicated in my presentation, sir, there's nothing in the Fire Departments Act that guarantees successor rights. My position on that was that firefighters should not be prejudiced because there's nothing there. Fire departments, as I had indicated, for generations have been within the bailiwick of municipalities or lower-tier governments. Because of that, now, this sudden change introduced in the legislation could have a dramatic or radical effect on those sorts of rights.

**Mr Hardeman:** But the change in the legislation to deal with the restructuring of municipalities is to be able to do in the rest of Ontario what was done in the regional municipalities some years back, to restructure government and reduce the amount and the cost of government, the one difference of course being that it was done with individual legislation in each region. When it was done, it did not change the level of government that looked after the fire service. Could you give me some idea as to why you believe that it was not done, why the fire service was not put at the regional level at that time?

1530

**Mr Cole:** I think fire departments across Ontario have always been—municipalities have always had an interest in maintaining the authority over fire departments because of the ability to determine the levels of service. In the city of Ottawa, where you've got older neighbourhoods, you're going to want higher levels of service because of the higher loss and higher risk. New communities may have less risk, and as such, would need less level of service. For these reasons, I think municipalities want—

**Mr Hardeman:** Would you think that the opinion of the lower-tier municipalities has changed since that time, that today they would decide that they would rather or they think they would get a better service from the fire service at the upper tier?

**Mr Cole:** I think we're going to see a colossal turf war between the lower tier and the upper tier over some of these services. I don't think municipalities will be in favour of losing the fire department. It is a very large portion of the service they deliver.

**Mr Hardeman:** You do realize—

**The Chair:** Excuse me, Mr Hardeman. We've come to the end of the government caucus's time. I apologize for interrupting.

**Mr Gerretsen:** I was very interested in the correspondence that you've attached to your brief, particularly Mr De Fazio's letter to the Premier, where he says, "Some-day, somewhere, you are going to have to look me in the eye and tell me why you lied."

It reminded me of the time when I was on a committee with the Solicitor General and Mr De Fazio, who was then president of your Ontario association, back in 1982. We looked at precisely the same arbitration issues with the Solicitor General's department. That came to a screeching



halt as well, when the Davis government, the Conservative government then, imposed in 1983 the legislation putting in the 5% wage controls. So just for the record, this isn't the first time that full consultation hasn't been given to you people. It was denied then, as it is denied now. Any comments before I turn it over to Mr Phillips here?

**Mr Cole:** I absolutely agree. We have been around this tree before without consultation. It does nothing but polarize the parties in trying to reach some settlement in the process.

**Mr Gerretsen:** That's right.

**Mr Phillips:** I want to recapitulate where we think this came from and then get your comment. I don't think there's any doubt that Al Leach went to the association of municipalities and said: "We're cutting your grants in half. Now, how can we keep you quiet?" They said, "Well, here's our shopping list, and one of the things we want is wage controls on our fire departments, and we want you to pass language for our arbitrators telling them what to do." It's language that exists nowhere else in the country. Wherever it has been tried, it has failed and has been taken out. "And we want you to amend the Fire Departments Act to direct arbitrators on settlements, and furthermore, frankly, to direct arbitrators when they are making their awards to 'they shall consider'—not 'they may,'—'they shall consider the extent to which services may have to be reduced if the current funding levels are not increased.'" So you cut the grants to municipalities, you strap them to the wall financially and then you tell arbitrators they must consider the fact that we've cut the municipalities' grants, and furthermore, services may very well have to be reduced.

I'd like you to respond to the fact that before the election you were absolutely promised by Mr Harris—then Mr Harris, now Premier Harris—that he would not make any amendments to the Fire Departments Act before you had been fundamentally consulted in detail and before you had a chance to look at the costing. Now we find, I think, personally, the most fundamental change to the Fire Departments Act touching services, giving arbitrators the right to touch services, and to impose settlements based on a municipality's decision on how much money they're going to give you.

I really have two questions for you: One is, is this, as other groups have told us, the Harris wage control plan through the back door; and secondly, were the fire organizations consulted before this bill was dropped into the Legislature and before we were ordered to try and pass this in two weeks?

**Mr Cole:** Absolutely not. As far as responding to your first question about the Premier's comments while on the hustings, I think really that's just the duplicity of the campaign trail. We take the promises that were given on the campaign trail often with a grain of salt.

As far as wage control is concerned, that's absolutely what it is. There's been no consultation with firefighters. In the letter that I do have at appendix B, in the last letter from President Jim Lee, it does indicate that two five-minute meetings with the Solicitor General breezing in and out of the room does not constitute consultation. I don't know in what environment that would constitute consultation, but it surely can't in Ontario. Mr Runciman

agrees at the bottom of the page. That is where we are to date on consultation.

**The Chair:** Thank you, gentlemen, for coming forward and making your presentation to the committee this afternoon.

CITY OF OTTAWA

CITY OF NEPEAN

**The Chair:** May I have the city of Ottawa, Mayor Jacquelin Holzman, come forward, please. Good afternoon and welcome to the standing committee on general government. You will have half an hour this afternoon to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions/responses from the three caucuses. I would appreciate it if you'd both introduce yourselves for the benefit of committee members and Hansard at the beginning of your presentation.

**Ms Jacquelin Holzman:** Good afternoon. It's a pleasure to be here today. I'm joined by Mr Gerry Bellomo, who is the city solicitor for the city of Ottawa. He's here not necessarily to take questions from you but so that I could ask for answers.

**Mr Phillips:** We need him too. We need legal advice.

**Ms Holzman:** He's here to give me advice. First of all, I want to congratulate the government for doing what it said it was going to do, and that was, within its mandate, to look at fiscal savings, to look at public sector restructuring and to look into streamlining efficiency. Those are things that not only the provincial government requires but all levels of government all over Canada require. It's certainly something that the city of Ottawa, under my leadership, has always thought was very important. So we congratulate you for taking that step.

We're also looking forward to the Municipal Act review because it's critical that we disentangle provincial and municipal government roles. It's very important that municipalities have a wider jurisdiction and reduction of the approval processes to one level. Anything that can be done to cut out, to eliminate red tape at all levels of government but between levels of government is critical. So we congratulate you on that as well.

Therefore, I like the direction that you're going and in general, if you ask me to stop right now I'd be quite pleased to stop right now. However, since you didn't, it is important to make some comments and that's why I'm here today.

Time constraints have prevented the city of Ottawa from preparing a corporate position. However, we did discuss this at the policy committee and my views are based on guidelines that were approved by our policy and priorities and budgeting committee. My comments will only address those sections of Bill 26 that are relevant to municipalities. However, given my background in the health system and as a former member of district health council, as a president, a chairman, a member of the board of the Royal Ottawa Hospital and now a member of the board of the Ottawa Civic Hospital, if I had more time I'd be delighted to talk to you about the health aspects of Bill 26. Suffice it to say this presentation only deals with those positions in the bill that affect municipalities. In that



instance, I support the position by the Association of Municipalities of Ontario. I was going to submit to you the city of Nepean's brief on general government but if I get a few minutes at the end of the presentation I'll be glad to ask the mayor to come and present it himself.

In Toronto, it's a forgotten fact that Metropolitan Ottawa is the second largest region in Ontario, and indeed it's the fourth largest region in Canada. We're the nation's capital and we're Canada's centre for high technology, software development and telecommunications.

The federal government, our major employer, is going through the largest and most complex restructuring in Canadian history, and no single region is more affected than Metropolitan Ottawa. They haven't even gone halfway through their intended government downsizing. This is a time for our provincial government in Toronto to recognize and to take notice of the concerns of its second largest metropolitan area.

On November 29, the 1995 economic statement of your government announced a support grants rollback of approximately 20%. In the interests of deficit reduction, and in a very short and difficult three-week period, we all sharpened our pencils and we managed to find the required money from our budgets in order to meet this shortfall. In our case, this was no mean feat. We spent many hours on it yesterday and we did complete the job as we had intended to do.

However, over the holiday season between Christmas and New Year, our accounting department received a letter from an official at Queen's Park—in fact we didn't receive a copy of a letter between Christmas and New Year; we heard about the fact that there was a letter that other municipalities had received, and only because we found somebody in Queen's Park towards the end of January who was able to fax us a copy of the letter did we finally receive a copy of the letter. I know that between Christmas and New Year it isn't easy always to get information out. However, that's what happened.

We did find out, though, that the amount of money that we received from the province in 1995 was to be reduced by 47%, not 20% as we had budgeted for. And that was the budget that we actually delivered on December 20, 1995. After conversations with officials in Toronto, we found out that between November 29 and mid-December, cabinet took the decision to assess a disproportionate share of the rollbacks to the large municipalities. We understand that there was considerable lobbying during this period in order to produce that cabinet decision. That's what lobbying is all about. This went on without our knowledge, without our participation and without regard to due process.

1540

We believe that the process was flawed, as opposed to the fact that there was going to be a reduction in our grant. We expected, fully anticipated, a reduction in the amount of money we were going to be receiving from the province, but we have questions about the process. It's not an unreasonable request that we be given an opportunity to participate in such discussions.

We believe it is reasonable to request that we be given time and the opportunity to plan and budget effectively. In fact we at the city of Ottawa pride ourselves on having

our budget completed before the end of the calendar year, and that's a problem when we deal with the federal government or the provincial government. You work on a different year than we do. When we throw away our paper calendar, we are also finished with the municipal financial year.

Partnership and due process: Senior levels of government are adopting the philosophy that there should be increased decision-making and program and service delivery responsibility in the hands of local government. Bill 26 is a manifestation of this policy and is indeed intended to give increased flexibility and control to local municipalities, and we congratulate you on that. It was high time, it was very important, and we congratulate you on taking the bull by the horns and making it happen.

I am supportive of this direction, but I'm concerned about our financial ability to assume these new responsibilities. I know that you are planning to get your face out of our government and resolve some of those issues and I know that's the intent of some of these pieces of legislation. But I'm concerned that in Bill 26, while the provincial government is prepared to give us new powers, it also wishes to retain considerable discretion and control by the Minister of Municipal Affairs in overruling or turning back the decisions made by the elected representatives in local government. The ministerial discretion applies to the fees and charges in the restructuring provisions. I understand, though, there have been some changes made and I haven't seen them. But we're very concerned that we should be considered partnerships and we hope that will be part of the new direction.

There should be a process in the event that one cabinet minister—in this case the Minister of Municipal Affairs in Toronto—decides that he or she does not like something that our elected representatives do in Ottawa. There should be some kind of local appeal process. The obligation and responsibility to consult with Ottawa, its elected representatives and its citizens on matters that concern us directly should be met.

I know there is an organization, the Association of Municipalities of Ontario, and I know they purport to speak on behalf of all municipalities, but there are some large municipalities that perhaps should also be considered as somebody that should be consulted when some of these decisions are being taken. We believe, as I say, that there should be an obligation and a responsibility to consult with those larger municipalities, their elected representatives and their citizens on matters that concern us directly.

I want to congratulate the province for listening to other submissions up to this point and proposing amendments, and I understand more are anticipated. I understand that some were just announced today, and that shows that this is not a solid, carved-in-stone process. We've just heard from the press that there have been some additional amendments that have been made to the fees apparently.

Just dealing a bit with the support grants, based upon my opening comments, it should not be a surprise to you that I am concerned about the discretionary powers afforded the minister under the proposed Ontario Municipal Support Grants Act. The bill appears to be giving considerable powers to the minister in deciding selectively who gets what, how much and when.



We believe, and common sense would dictate, that large, complex organizations such as the city of Ottawa require long-term funding plans and budgets. We believe it is not unreasonable that there should be a process in place which allows us to plan effectively for the kinds of massive changes the government is implementing and planning.

I recommend that an appeal process be enshrined in the legislation. I'm not suggesting that a judicial appeal process is necessary. Rather, even the ability to appeal to a cabinet or legislative committee would give us an opportunity to share our views and discuss the issue with more than one person.

Now I want to come to, as I think of them, probably one of the most important issues being addressed by Bill 26, that is, restructuring.

The provisions in Bill 26 relating to restructuring proposals are innovative and welcome. However, they are limited in application to counties, territorial districts and unorganized territories. The regional municipality of Ottawa-Carleton and its constituent municipalities are in the throes of a restructuring debate, but the bill does not provide any method for processing restructuring proposals in a regional municipality. I believe the act should be amended to allow regional municipalities and area municipalities to access the restructuring provisions in the act.

We are now and we're going to be meeting tomorrow on this very subject. There really has never been a study in the last 20 years that has looked at what is the best level of governance, the best form of governance for this region of Ottawa-Carleton. It has always been looked at within the two-tier system, and our city council and most of the public have said that two levels of government at the municipal level does not work.

This act, in my view, should be amended so that you take into consideration the changes that are already being contemplated in the GTA, the greater Toronto area, and that neighbourhood, and that are being discussed particularly at the regional municipality of Ottawa-Carleton.

1550

The current draft bill prescribes considerable power and direction that will be given by prescribed regulations, which we have not seen. I would welcome an opportunity to review and participate in discussions on these regulations. While we are now excluded from these provisions, I am confident that this intervention will result in an amendment to the bill. I would hope that, if nothing else, you recognize that, just like you believe there should be fewer levels of government, we at the local level are trying to make it happen.

Fees and charges: I understand that amendments have already been announced. They need to be clarified if they haven't been, but I won't say much about that.

One of the areas, though—you may not know this—isn't reflected in the bill. The government did not take the opportunity to rectify the present inequity which sees local municipalities act as a tax collection agency for the regional municipalities, the school boards and the other agencies without compensation.

Never mind that we're not compensated for doing this, but because the bill goes out from the city of Ottawa, people therefore assume that the city of Ottawa is the

recipient of their hard-earned dollars that come out as property taxes. In fact the city of Ottawa only receives 15% of the taxes, but there's the perception that the money is coming to the city, and therefore we get the whole thing. It would be nice to be compensated for that, and I hope that this will be addressed in the Municipal Act review which the minister has announced.

Another important area is interest arbitration guidelines. I appreciate the guidelines and the statutory authority for them. However, the guidelines as currently framed are made applicable only to firefighters, police, teachers and provincial civil servants. Municipal employees appear to be excluded. I hope that this was an oversight and that you will include municipal employees under the same interest arbitration guidelines.

You speak about accountability and it's something that's exceedingly important at the municipal level and it should be important at all levels of government. The provisions in the bill requiring municipalities to prepare and publish designated information "relating to the efficiency and effectiveness of the municipality's operations" give statutory weight to an accountability program that was initiated formally in 1995, but it's one that we've always considered to be very important.

We are prepared to share our experience with the government and work with it in developing a format which might be adopted across the province and have written to the Minister of Municipal Affairs directly on this matter offering our assistance. However, the preparation and publication requirement is an onerous and expensive undertaking. Given the massive cutbacks in provincial grants, I believe it is only reasonable that we be compensated for the cost of providing this new function. It's called fee for service.

In conclusion, I welcome the opportunity to participate in this important debate on Bill 26. I'm extremely confident that the views expressed in my statement will be reflected in the amendments to the bill and I hope that the government will move forward on these and many of the issues that are contained in the bill.

One of the last times I addressed a provincial hearing was on the bill that was going to reorganize the region of Ottawa-Carleton. It came in place and affected the last municipal election and it changed the structure of the region. I was the only mayor that spoke in favour of it. The government to its credit, the party in power to its credit, had the will to make it happen and they made it happen.

I congratulate our new government. I hope that you have the will to continue to make it happen. I thank you for listening to me. I think I have a few minutes. I would like to leave a few minutes at the end so that Ben Franklin, the mayor of Nepean, can introduce his paper too.

**The Chair:** Thank you. If you want to share some time, there are 12 minutes, which would normally get divided four minutes per caucus. But it's up to you, if you want to share.

**Ms Holzman:** No, no, he doesn't need 12 minutes. He said he needed about five.

**The Chair:** I'd appreciate it if he could do that now and we can ask questions at the end of that.



**Ms Holzman:** No, I intend to leave—I will give him five minutes of my presentation, because I haven't—

**The Chair:** Okay.

**Ms Holzman:** If that's not a problem.

**The Chair:** Sure.

**Ms Holzman:** He's not part of my delegation, and he and I may not share the same views on some of these things.

**The Chair:** We'll have three minutes per caucus for questions and then we'll turn to the mayor of the city of Nepean.

**Ms Holzman:** To the mayor of the Nepean.

**The Chair:** Three minutes for the mayor of Ottawa.

**Ms Holzman:** He asked for five minutes.

**The Chair:** That'll give him his five minutes. We start off then with the government side.

**Mr Hardeman:** Thank you very much, Madam Mayor. I'm interested in your discussion on the restructuring and the need to do that in Ottawa-Carleton and the request that it be included in that section of the act.

I just wondered if you could clarify for me what you see as the difference in the restructuring proposal in the act and what would be available to the region today in appointing or having the minister appoint a commissioner or someone to look at the governance in Ottawa-Carleton, when they came in with a recommendation or a report, to have the minister then propose legislation to implement that report, which was done obviously when Ottawa-Carleton was formed. Could you explain what you see as the difference in what we're proposing for the restructuring of counties?

**Ms Holzman:** Well, just to go back to one of the reasons for doing this whole exercise in the first place, and that was for streamlining and efficiency, for public sector restructuring, for fiscal savings. Why would you want to undergo this whole process yet again for those geographic areas of the province that are part of a regional municipality? You're spending all of this time and effort on those that are not part of the region, on Tiny Town, Ontario. Why would you not build it in at the same time?

**Mr Hardeman:** The act sets out the process—

**Ms Holzman:** The act does set out a process; this Bill 26 does set out a process. I'm not objecting to the process. I'm simply saying, "Include us."

**Mr Hardeman:** You don't believe that presently you could do that, everything that's in the act now, except for the end result that the commission would be implementing it as opposed to the minister implementing it?

**Ms Holzman:** I can only suggest that you might as well do it now, one-stop shopping. It's all there for everyone in Ontario to see, whether you're a territorial municipality or whether you're part of a regional municipality.

**Mr Patten:** Mayor Holzman, you're a very generous mayor to the government here. Having supported the government's actions, you identified eight major concerns you have and, of course, they are all important concerns. You must have been somehow disappointed in having heard in the election that there would be only one taxpayer and then to find that, all of a sudden, the municipality is faced with 18-20%, and then, whoops, not so fast, 47%.

I wonder if you could share with us the difficulties that you and your council have been having in reviewing the last portion, which I guess was yesterday and perhaps late into last evening, on looking at user fees, service drops, cuts, that kind of thing, but particularly on user fees because that's another form of taxation that people are going to have. What can we be facing here in Ottawa?

**Ms Holzman:** First of all, on the reduction in our grant of 47%, a lot of that came about because through the processes not all of the deferred grant reduction from the social contract, unfortunately, was carried through to our 1996 budget. We carried through the \$1.2 million of deferred grant that we had for the fire department, but we didn't carry through the other and that was our own error. So we had to accommodate that.

We knew that this was an average. We were surprised that it was a little bit more, but we understand the rationale because you want to protect the northern communities and the smaller communities. But user fees are a fact of life. If my granddaughter wants to take gymnastic lessons and we reduce the grant at the gymnastic centre, if her dad wants her to go, then they're going to pay an increased fee. One has to pay for services. That's why I'm saying we should be reimbursed for the service we provide to the region and the school boards when we collect our taxes. User fees are a fact of life.

Yes, it was a hard time. We have ideological differences on our council. Some people want to continue giving grants to other organizations and special-interest groups so that the salaries of their employees will be contained. I prefer to look after the city of Ottawa staff. Ultimately, everybody, every agency, every business, every level of government, has to do things differently. Times have changed. The taxing and spending days of the 1980s are past, are gone, so it's a new ball game.

1600

**Mr Silipo:** Mayor Holzman, you should know that the government amendments have been arriving at roughly four-hour intervals. The last batch, I think, arrived at 1 pm, so maybe by 5 pm before we leave we'll get the next one. I don't know whether it will address some of the concerns that you've raised or not. Mr Hardeman says no. Maybe tomorrow then. We'll keep trying.

I just want to ask you one thing with respect to the whole area of user fees. It's true that the government has clarified in this bill, by way of its amendments, some of the concerns with respect to taxation powers that had been granted and are granted by this bill to the municipalities. The board of trade was here this morning, as you may know. They were quite clear in their position that to them any of these measures, whether it's additional taxing powers or user fees, or whatever they're called, are taxes. They don't think municipalities should get any more taxing powers than you have now. What's your reaction to that?

**Ms Holzman:** I'm not sure we need any more taxing powers than we have now, except that the property tax is the most regressive form of taxation, I'm sure everybody would agree. At some point, in due course, we should be looking at what is a better way of generating revenue for the municipalities, because we are a partner and user fees a way of life. Rates where you have no choice, like



taxes—like head taxes, which I do not support—those are things I don't support. But if you want a service and it's additional service, then the time has come that people have to pay for it.

**Mr Silipo:** Is the key for you there additional service? Because I would be troubled that if you categorize, as I would, property taxes as a regressive form of taxation, you would find user fees acceptable. It seems to me that they are even a more regressive form of taxation, because when you look at people's ability to pay, they would in fact hurt those who are least able to pay on a relative scale far more.

**Ms Holzman:** I'll give you an example. If you want to rent a movie or a video, then you go and you pay and you rent a video. That's user-pay. If I don't want to, why should my taxes have to pay so you can get free videos? At the libraries, why shouldn't those people who avail themselves of the library services pay?

**The Chair:** Thank you. Sorry, Mr Silipo, we've come to the end of that time. We have agreed to give some time to the mayor of the city of Nepean.

**Ms Holzman:** May I just conclude then by saying I thank you very much. The fact that changes are coming through every four hours means that Bill 26 is not carved in stone. We hope that we will see some of our concerns reflected in future changes.

**The Chair:** Thank you for coming and appearing before us this afternoon.

**Ms Holzman:** Thank you for allowing my colleague to address this committee.

**The Chair:** Welcome, Mayor Franklin. Quickly, if you could zip through, we have copies of your submission which we will distribute to the members so they will be able to read it.

**Mr Ben Franklin:** That's correct. Thank you for giving me the opportunity. Not knowing what was in Mayor Holzman's brief, mine is very, very similar. What I will do is just go through this as quickly as I can and not spend any time on the similarities other than to say that we too felt like the city of Ottawa and, I'm sure, like all municipalities, when we were pumped and primed for 20%. Then, when the economic statement came forward, we did the numbers. We said, "It sounds like 23%," and we ended up at 41%. Again, it's the process. We've used our credit card. Our credit card is full. We have to pay.

I agree with reductions, but we have to have a plan, we have to know in advance. It's very, very difficult to plan a budget. Our year begins January 1, so we want to have it finished by the end of December when we get a letter in early January dramatically changing our grant reduction.

Again, with the general thrust of the bill as it relates to municipalities, we are in agreement, but we do have some reservations. Also with the regulations—we'd like to take part in the regulations. As you know, the regulations can often mean more than the bill itself. We don't want them to come out without an opportunity to be a partner.

In terms of restructuring, a similar comment: I just think the rules should be the same across the province of Ontario for fairness and equity. Mayor Holzman was right: I did not support her position. Some of you who were members of that committee on Bill 77, which became

whatever—I forget the number—know I think the rules should be the same for regions and for counties.

I should say that if you're going to introduce changes to the traffic act relating to tolls, then we would like to hope that some of that money would come back into the infrastructure of the local area, not just go to general revenues, if you support that principle. It's not one that I support, but if you do, the local area should get the revenue in infrastructure development.

Amendments that you're making to the freedom of information act we agree with. Restructuring I've commented on.

Transfer of services: I stress the importance of allowing municipalities, and not the province, to determine the level of services. It could be that you had a certain standard and there were forms to fill out and there were a lot of provincial regulations and a lot of people to enforce those regulations at Queen's Park. The grants have been cut, and what we would not want is someone to come in and say, "Okay, your grants are dramatically cut, but your standards have now gone up, we've made an upward adjustment in standards." You could see how devastating that would be to the local area.

I do think that there should be someone in this area we can go to. I really have felt this for a long time, that this being the fourth-largest region in Canada, second in Ontario, we should have someone from the government who pays special attention to this region.

With the dissolution of boards, I agree with the provisions, but there should be no exemptions, and the bill does provide for exemptions.

I also want to point out that the fees that Bill 26 allows us to charge, just in the event that statements are made that all grant reductions will be covered by fees, in my opinion they'll help out a little bit but the opportunities within them will in no way cover for the grant reductions.

The rest of the items that are in it I'm just going to leave with you, because you did allow me five minutes and I've taken up the five minutes. I thank you for the opportunity.

**The Acting Chair:** Thank you very much, Mr Mayor, for making your presentation.

**Mr Phillips:** I wonder if we could have one minute per caucus for comments.

**Mr Sampson:** Agreed.

**The Acting Chair:** It's mutual agreement that we start with one minute for each caucus, starting with the official opposition.

**Mr Phillips:** I despair of the process a little bit. You've got five minutes. You've got some major recommendations. Next week this will be an absolutely out-of-control process. The government's going to bring 100 amendments probably to the table on Monday. This thing's going to crash around for five days and no one knows how it's going to come out in the end. It affects your life and here you get five minutes. You've got some major recommendations for us. We will be lucky to get to them next week, I might say. We're into clause-by-clause on 211 pages of fundamental change. We give you five minutes. It's a crazy process.

**The Acting Chair:** Mr Phillips, your time is gone.

**Mr Phillips:** No, that's only 32 seconds. I've been counting.



**Mr Franklin:** I think your question answers itself. It's a very quick process and it doesn't allow you the full opportunity. I know what we will be doing is following it carefully and contacting our local members directly.

**The Acting Chair:** Mr Silipo, and we will keep it to the one-minute comments rather than questions and answers.

**Mr Silipo:** Absolutely. I think it's been quite useful to have heard, Mr Mayor, from both you and Mayor Holzman about the change in the cuts, from the original number that you were given to the others. I'm going to ask that we in fact get that information for other municipalities. It could be useful.

One other point that you have continuously made through all of this is the need for clarity and the need to see the regulations. That's something we've also been highlighting. Hopefully, the government will listen to that request coming from various municipalities of the need to see the regulations, because much of what is going to be happening is going to be detailed in those regulations. We think it's important that people see them before they're approved.

**Mr Stewart:** From what Mayor Holzman said, her 47% reduction was partly due to social contract. I assume your 41% was much the same. I guess the final question, the question I really want to ask is, what percentage of your total spending was your reduction by our government?

**Mr Franklin:** That's a difficult question. The fact is that our grant was 41% less this year than it was last year. No matter how you slice it up, that was the reduction. In terms of a percentage of total spending, again that's difficult. It was over 2%, but a lot of that's based on programs which are fee-for-service, and not every municipality has those. I would like to just end—and I was listening to the firefighters' presentation—that we do support the AMO position which introduces—

**The Acting Chair:** Thank you very much, Mr Mayor. We do have to cut it. We are considerably past the allotted time and we thank you very much for your presentation.

**Mr Silipo:** On a point of order, Mr Chair: Could I just pursue this point of the information on the actual reductions to various municipalities? I know that we received as MPPs, in December I believe it was, a letter from the Ministry of Municipal Affairs outlining the cuts, which, as has been shown us today, have changed in some instances. Would it be possible, either through yourself or research, to get us the updated numbers of what cuts have gone to municipalities?

**The Acting Chair:** I'm sure that information would be available and will ask research to get that for you.

1610

OTTAWA-CARLETON HEADSTART  
ASSOCIATION FOR PRESCHOOLS

CHILDREN'S AID SOCIETY  
OF OTTAWA-CARLETON

**The Acting Chair:** We would ask the Ottawa-Carleton Headstart Association for Preschools to come forward, please. Good afternoon, ladies and gentlemen. We welcome you to the committee hearings. You have half an hour to use as you see fit. We would ask you to introduce

yourselves for Hansard and for the committee members. If you wish to leave time at the end for questions, we will share that time equally between the three caucuses. Thank you very much for coming in, and the floor is yours.

**Ms Cathy Murphy:** Good afternoon. I'm Cathy Murphy from the Ottawa-Carleton Headstart Association. We would request that we share our spot with the Children's Aid Society of Ottawa-Carleton. We will present for the first 10 to 15 minutes. I'd also like to introduce to you Laurie Brunet. She is the community liaison with the Ottawa-Carleton Headstart Association and director of Nanny Goat Hill Nursery School.

**Ms Laurie Brunet:** The Headstart association of Ottawa-Carleton is committed to working with the families in our communities, the broader child care sector and the provincial government to enhance the quality and delivery of Headstart programs in the Ottawa-Carleton region.

The quality and accessibility of Headstart programs are at risk. We are here to address our concerns with Bill 26 and the impact it may have on our families and services available to them. We want to ensure the quality of our Headstart programs; protect the rights of children and their families; and continue cost-effective delivery of services to communities we serve.

We ask the standing committee on general government to consider our concerns and recommendations. We believe that if we work together, we will achieve the goal of quality early childhood intervention programs for children at risk which will continue to be responsive, accessible and fiscally accountable.

**Ms Murphy:** OCHAP has the following recommendations:

(1) We recommend that the provincial government meet with the local, non-profit, licensed, child care community before the provincial child care review is completed.

(2) We recommend that the provincial government, in conjunction with the non-profit, licensed, child care sector, engage in dialogue to discuss the various strategies for the redistribution of resources and services for children and families of Ottawa-Carleton.

(3) We recommend the provincial government continue to fund early intervention programs for children at risk.

(4) We recommend the Ministry of Community and Social Services recognize and give legislative recognition to Headstart programs under the Day Nurseries Act.

(5) We urge the provincial government to reconsider the following steps to reduce government support:

—The elimination of proxy pay equity with the implementation of Bill 26.

—The 21.6% cut to social welfare recipients' cheques. We would suggest this particular cut was too much, too fast for families of young children at risk.

—The cancellation of the conversion program for commercial child care programs.

—The Jobs Ontario subsidies, which are now at 80-20 cost-sharing with municipalities. Approximately 1,000 of these spaces have disappeared because regional governments have been unable to pick up the additional cost.

—The cuts to the municipalities. They've sustained a 47% cut over two years. In addition to this cut, Ottawa-Carleton has had to absorb an additional \$8 million.



Further cuts to the municipalities will endanger child care spaces throughout Ontario.

—The potential loss of junior kindergarten programs across the province will put at risk children who would not receive educational intervention until the age of six.

**Ms Brunet:** (6) We urge the provincial government to accept the federal government's offer for the national child care program. This 50-50 cost-sharing offer is an incredible opportunity for families in Ontario. The federal government does insist that the child care programs under this initiative be quality, affordable and accessible programs, and current spending levels of child care must be maintained.

(7) We urge the provincial government to maintain the current legislative regulations under the Day Nurseries Act of Ontario in order to maintain and support quality regulated child care programs.

**Ms Murphy:** The Ottawa-Carleton region's first Headstart programs were established approximately 20 years ago. OCHAP provides high-risk children from low-income families with enriched social and learning experiences. Enriched programming is designed to encourage each child to reach his or her full potential, to better prepare the child for entry into the educational system and to work with parents addressing family issues. All Headstart programs receive subsidies from the regional municipality of Ottawa-Carleton.

The Ottawa-Carleton Headstart Association for Preschools is an organization of staff, parents and board members of Headstart preschools licensed under the Ministry of Community and Social Services and Day Nurseries Act of Ontario.

The purpose of OCHAP is to support and coordinate Headstart preschool programs and community agencies—we work with such agencies as the children's aid society, the Royal Ottawa Hospital child development services and the Children's Hospital of Eastern Ontario, as well as play therapists in the local area; to provide a central body to coordinate these services; to educate and provide professional in-service training to staff; to support parent education programs; to advocate and inform the community of Headstart programs; to advocate on behalf of children and families. That's the reason that we're here today.

The program components of quality Headstart programs include qualified staff with either child development diplomas or degrees and early childhood education diplomas; low teacher-child ratios, of at least 1 to 8; parental involvement—we have an open-door policy in-parent program; a child-centred environment; consultation with other professionals; nutritious meals; accessible transportation; removal of barriers so that families and children can attend our programs; opportunities for field trips—many of these children cannot get to farms or museums or swim programs without our field trips; integration of new Canadians and support for English-as-a-second-language learners; support for parents attending classes or working; parenting programs, such as Nobody's Perfect and life management skills; health and safety education programs; self-help skills for children; and in-service training for early childhood educators, support staff and parents.

**Ms Brunet:** The short-term positive benefits to the children attending Headstart programs include language acquisition—many of our children may have a one- to two-year language delay, or English may be a second language; problem-solving skills; socialization; self-control—the children learn how to control their behaviour and the consequences of their behaviour; greater self-esteem; empowering children; school readiness—we introduce the children to the concepts they will need in order to achieve and adjust to the school system; healthy physical development—we provide nutritious meals, physical exercise, gross motor play, and we teach the children how to take care of their physical needs; improvement in the child's communication skills; and self-help skills—the children will learn how to dress themselves, feed themselves and toilet themselves.

Who are the children of the Headstart programs? Headstart programs are situated where the impoverished children live: Dalhousie, Centretown, Pinecrest-Queensway, Carlington, Foster Farm, Heatherington, Ottawa East and Hawthorne. There are 11 Headstart programs. Out of those 11, three provide full-day Headstart child care. The other eight programs are half-day Headstart nursery schools offering morning and afternoon programs.

The children in our programs are impoverished children who are at risk. The faces of these children are a part of society you prefer not to acknowledge. In Ottawa-Carleton's civilized society we have poor, malnourished and sometimes homeless children. We have approximately 24,000 impoverished children living in the Ottawa-Carleton region.

The children who attend our programs live in substandard, and sometimes illegal, housing. Their parents, usually single women, are spending an average of 60% of their income on housing. This does not leave much for the family for food, heat, hydro, clothing or medical supplies. Many children who attend Headstart programs are malnourished and consume all to a third of their daily nutritional food requirements in our programs. Since the reduction to the social assistance cheques, our food budgets have increased as the children are arriving at school underfed. Some children come to our schools without adequate sleep. They are tired because of stressors in the family home, or they may be too hungry or cold or scared to sleep. Many of our families live in continual crisis and many of these parents also grew up in poverty and in crisis, and so the cycle continues.

1620

We are here to represent the faces of these children. They have small voices and no vote in the outcome of their lives. These children are not just numbers. We are here to inform the standing committee and the general public on the importance of providing quality Headstart programs for children and their families at risk.

Headstart programs are the first important step in breaking the cycle of dependence and the need for social assistance. As stated in our report, Headstart programs have long-term lasting benefits. Headstart programs allow parents the opportunity to upgrade their skills, go back to school, find jobs and take parenting and life management courses. We provide support for parents who are attempt-



ing to rebuild their lives and take control over their circumstances.

Some of our concerns of the potential impact of Bill 26: OCHAP recognizes the provincial government was elected with the mandate of fiscal restraint. We are here to address our concerns with Bill 26 and the impact it will have on our families and the services available to them. We want to ensure the quality of our Headstart programs, to protect the rights of our children and families, and to continue cost-effective delivery of services to the communities we serve.

We believe that the legislation, the framework and the process for the child care review must balance the rights and responsibilities of the provincial government, the children and families and the early childhood educators.

**Ms Murphy:** The following are our concerns:

—Under Bill 26, the Ministry of Community and Social Services will have the potential to deregulate the child care sector.

—The Ministry of Community and Social Services appears to be moving towards privatization of the child care sector—that would be the non-profit sector versus the profit sector.

—The Ministry of Community and Social Services has not met with representatives from the Ottawa-Carleton licensed non-profit child care sector.

—The provincial government has cut funding to the municipalities by 47%. Child care is a discretionary service and the municipalities do not have to provide it. Municipalities across Ontario are currently reviewing how to deal with this shortfall.

—Under Bill 26, the elimination of proxy pay equity. This funding will be eliminated by Bill 26. Our profession is staffed primarily by women. The existence of the Pay Equity Act and the proxy amendments have prevented the provincial government from eliminating wage subsidy grants. When proxy pay equity is gone, the province can also eliminate the wage subsidy grant. This grant represents approximately one third of early childhood educators' income, thus placing many of these incomes below the poverty line.

—Jobs Ontario subsidies affect communities with the highest rates of poverty—an example would be aboriginal communities—in Ontario. These subsidized spaces are at risk of closing if municipalities cannot fund their portion of the 80-20 cost-sharing arrangement.

—The national child care program is at risk if the province is unwilling to enter a 50-50 cost-sharing arrangement with the federal government. Conditions are placed on the new federal money, which is to be used towards new child care spaces, and current levels of spending maintained.

We would recommend that the provincial government delete provisions in Bill 26 which will take away from the quality of child care programs throughout Ontario.

**Ms Brunet:** Non-profit Headstart programs and their impact on society: According to the findings of the High/Scope Perry preschool study, at age 27, adults born in poverty who attended a high-quality Headstart active program at ages 3 and 4 found the high school completion rate was 33% higher; employment was twice as good, with higher earnings and property wealth; there was a

greater commitment to family and marriage; substantially less drug use; 40% fewer crimes, especially of a violent nature, and 40% fewer teenage pregnancies.

In order for our families to become better educated, it is essential for their children to have access to quality Headstart programs now.

Fewer poor families will translate into increased tax revenues, as well as government savings resulting from reduced demand for income security benefits, subsidized child care and other social programs directed to the poor. A better educated, trained and more productive workforce is essential to Canada's economic future.

**Ms Murphy:** Child care is an essential service for the majority of Ontario families with children. No strategy to combat child poverty will succeed without adequate quality child care. After years of study, debate and research, Canada is still without a national child care system which meets the needs of today's families. I'll give you some examples: The Royal Commission on the Status of Women in 1970, the task force on child care of 1986, the special Commons committee on child care of 1987, the Canada Child Care Act of 1988, the national child care proposal of 1995 and the child care review of this provincial government.

It's interesting that most of these reports lead to the fact that Headstart programs and early intervention programs are primary in the development of children and we still do not have a program.

Judge Rosalie Abella's comments of 1984 are particularly relevant: "Child care is not a luxury, it is a necessity. Unless government policy responds to this urgency, we put women, children and the economy of the future at risk. Considering more than half of all Canadian children spend much of their time in the care of people other than their parents, and that more than half of all parents need child care services for their children, social policy should not be permitted to remain so greatly behind the times."

**Ms Brunet:** The importance of quality Headstart programs for young children at risk cannot be over-emphasized. Poverty has devastating consequences for child development. Impoverished children are at a higher risk for mental and physical health and conduct disorders, which will put an even greater strain on the system. Research has proven early intervention programs will compensate for disadvantages experienced by these children in their environment by enabling them to achieve equitable outcomes. All children deserve equal rights and opportunities regardless of their socioeconomic status. OCHAP is committed to helping parents break free from the need for social assistance. The Ontario government must invest in all of our futures. It's time to invest in our children today, for substantial savings to our social structure tomorrow.

**Ms Murphy:** I don't know if you'd like to ask us questions now or wait until the end, when the Children's Aid Society of Ottawa-Carleton has presented.

**The Chair:** Sure, that's fine if you want to go ahead.

**Mr Frank Martin:** I'm Frank Martin, the president of the board of directors of the Children's Aid Society of Ottawa-Carleton, and with me is Mel Gill, the chief executive officer of the society. I want to thank the Headstart association for giving us some of their time so



that we can make a presentation to this committee. I would ask Mr Gill to start by touching on the major points of our written submission.

**Mr Mel Gill:** I apologize for the fact that we don't have copies for all of you. We exhausted our copies in the alternative hearings going on next door, since we had initially been led to believe we'd have a spot here and then were told we couldn't. We appreciate the opportunity, and let me say first of all that the Children's Aid Society of Ottawa-Carleton runs a Headstart program and as such we are members of the Ottawa-Carleton Headstart Association for Preschools and endorse and support most of those recommendations and share many of the concerns that have already been brought to your attention.

Let me speak specifically about the importance of day care to child protection services. Many of the families that we deal with only manage to continue intact and continue to care for their children because of day care support. That is often the difference between a child remaining in the family home and coming into care. We also rely, as child protection services across this province, on day care to monitor children who are in high-risk situations, because we simply don't have adequate resources to do all of that work ourselves. Public health nurses, physicians and so on are others who are our early warning system for kids at risk.

With respect specifically to the impact of this bill on children's aid societies and child welfare services, let me say first of all that there are many issues in children's services which are of serious concern to us, not the least of which is adequacy of funding, or in fact inadequacy, as it currently exists. But much more important, and not addressed by this kind of legislation, is the overlap between children's mental health services, child protection services, young offenders' services and many other services directed at children, most of which are funded at the provincial level or at least partially at the provincial level. Those issues include: accessibility of services; single-point access; the importance of prevention programming, which has already been addressed; accountability and so on.

While we have responded to the challenges of creatively eliminating 5% from our budget, we're not anxious to hear the next shoe drop, as Ben Franklin indicated in his comments. We are concerned that this legislation opens the door for municipalities to dissolve local boards such as children's aid societies, and we are concerned not so much about the governance model but that any changes which are made to the governance model should also address the other many issues that exist in children's services, some of which I have mentioned. We're concerned that child protection services should be delivered in a uniform fashion across the province, and this legislation opens the door to a regional municipality delivering child protection services in one area of the province, a children's aid society in another, and perhaps a generic children's services agency in still another. We think that is highly inadvisable.

The second point I'd like to make is that we have enormous concern about the provision for disclosure of medical records. We have many medical records on our files that are provided to us as well as requirement for us

to do our job. But, more importantly, apart from the privacy rights and, in my view, the very serious clash between this legislation on this point and the Charter of Rights and Freedoms, is that it opens the door for the government, by setting this precedent on medical records, to intrude into other confidential records such as those that we keep. Ours are equally of concern to the families that we deal with, as are my own personal concerns about my private medical record.

**1630**

I want, secondly, to quickly address the issue of the taxation powers and the poll tax or head tax, although I was alerted that this might be changed. Let me say simply two things: Any provisions which make our current tax system even more regressive than it already is would not find favour with people that we deal with or our own staff and board of directors. I say this particularly because the people we deal with in overwhelming majority are people who are already either at or within the margins of the poverty line, and anything which can be construed as a regressive tax impacts more deleteriously on them than it does on anyone else.

Finally, I want to make one final point with respect to pensions, and that is I have enormous concerns that the government, in making provisions to make partial payments to the pensions held by provincial public services, may in fact—first of all, I think it's inequitable, grossly unfair, but secondly, I consider that is an additional precedent which opens the door to similar intrusion into other pension plans, and on behalf of the staff that I represent, and I'm sure others in the OMERS pension plan which most children's aid societies belong to, this would be seen as an extremely retrogressive and unacceptable step which we would oppose with the strongest possible voice.

**Mr Martin:** The point I would just want to add is that it seems somewhat ironic that the government would propose legislation that makes it easy to dispense with voluntary boards of directors, like organizations such as ours. On the one hand, we hear that the government wants to encourage participation of citizens in community affairs, and serving on a board of directors of an organization that provides protection and care of children is an extremely important way for ordinary citizens to participate in a significant way in the life of their community. I think I could easily make the case that care of children is maybe the most important way a citizen can participate in community affairs, since that really represents the future health of our communities.

It's equally important that voluntary organizations continue to exist, I would say with some encouragement from government rather than with what appears to be a rather discouraging message, because voluntary agencies are in a good position to advocate for children who are disadvantaged, and it's an unfortunate reality that many people believe that social services to children are simply a drain on the budget. The reality is that those services provide an essential foundation for a healthy community. That message needs to be carried to the public and I think can best be carried by voluntary boards of directors, voluntary agencies, and this Bill 26 allows for their termination on an arbitrary basis and is not an encourag-



ing message to citizens like me who have volunteered our time and energy in these activities.

**The Chair:** We have a little more than two minutes per caucus for questions, starting with the opposition caucus.

**Mr McGuinty:** Thank you very much for a very important presentation. There are all kinds of tests for success that can be applied to government but, at the end of the day, I'm not sure there are any that are more important than how well it's looking after its children.

It's funny, when you were mentioning Headstart, the Headstart locations—I used to practise criminal law here. I made a very good living defending what were then known as juvenile delinquents and those addresses rang back, rang very, very true in terms of the kids who used to live in those locations. The greatest tragedy was so much of what I had to defend in court was entirely preventable.

Mel, can you elaborate a little bit? If we were to open the door to a kind of a patchwork of models for delivery of child protection services, tell me, how would that be troublesome or problematic?

**Mr Gill:** I think it's critical that the mandatory nature of the legislation which governs child protection services be consistently delivered across the province. The standards in one community have to be the same as the standards in another. We all know that municipalities are variable in their support for social services and for child protection. Some of them in fact are outright hostile to child protection services and others, like Ottawa-Carleton, fortunately for us have been much more sympathetic to social services generally.

In particular, if child protection or children's services generally get caught up in block funding without a protected funding envelope for them, I worry very much that resources for child protection would get traded off against fixing potholes.

**Mr Silipo:** Thank you very much for the presentation, both of you, for reminding us, I think, as Mr McGuinty has said, about the importance of taking care of our children.

I just wonder if either or both of you could just comment a little bit more on how you understand the logic of a government that seems to be intent on proceeding, as you've listed, with a number of cuts that affect children directly, in terms of child care, in terms of programs like the Headstart program being in danger, in terms of cuts of funding to children's aid societies, especially when we think about the fact that the largest reason for that cut is in order for the government to find \$5 billion to \$6 billion to pay for its 30% tax reduction. Again, when we look at who it's going to impact positively and negatively, it's going to mean that most of that money is going to go to the 15% of Ontarians who earn over \$85,000, not to the kind of people certainly whose children are served by the Headstart programs. What's the logic that you see coming through from the government in those actions?

**Ms Murphy:** Unfortunately, we haven't been able to sit down and have any dialogue in the child care community, the non-profit sector anyway, in Ottawa-Carleton, although we have attempted to do so on many, many occasions. I'm hoping that at some point the logic could be pointed out to us.

**Mr Stewart:** I don't think there are any of us on either side of this table who don't have a great care for kids and how they're brought up etc. But I guess a couple of concerns that I have when I look at the amount of programs that you have and I look at what I believe in some instances is a relative amount of duplication. Both of you have Headstart programs, both of you are looking after children, and you're only two of the various organizations in this province that look after them.

To be able to afford, and that's what we indirectly—but so we can afford this thing, how can we get rid of duplication, that we will be able to find the money to do it? We have to make changes. We can't keep going the way we are, so how do we do it with groups like yourselves, of getting together to basically find the dollars so that we can continue on with these programs? I think that's a problem these days.

**Mr Martin:** In the Ottawa-Carleton region now, a group of child service agencies funded under the Family and Children's Services Act of Ontario has come together on a voluntary basis to look at how we can become more efficient in the provision of services by amalgamating some services, changing others, using methods of handling finances of agencies or dealing with personnel issues in agencies on a coordinated basis. A process has been established that is now proceeding to become more efficient.

1640

**Mr Stewart:** I think that's great. I guess my worry is too little, too late. When I look at some of these things, a lot of this should have been done over the last two or three years so we wouldn't be in the position we are in. That's my concern.

**Mr Gill:** We all recognize that there's some duplication in administrative infrastructure. There is not duplication of services, because duplication of services means you're providing the same service to the same client twice, and that doesn't exist. In fact, there is a serious shortage of services to children and families across the province. There are \$800 million allocated by the provincial government for children's services across the province. It's not enough, and you're not going to find \$10 billion in savings out of \$800 million.

We think we do an efficient and important job and an effective job. One final point on the issue of poverty, child poverty particularly: You pay now to keep kids out of poverty or you pay later to keep them in jails, mental health centres and on the dole forever. It's commonly understood and there's good research in documents that if you eliminate child poverty, you eliminate 50% of the problems that you subsequently find through the Young Offenders Act, mental health services and so on.

**The Chair:** We've come to the end of your half-hour. I want to thank you all for coming forward and making your presentation to the committee today.

CAROLINE ANDREW

**The Chair:** May I please have Professor Caroline Andrew come forward. Welcome to the standing committee on general government.

**Ms Caroline Andrew:** My name is Caroline Andrew. I'm a professor of political science at the University of



Ottawa. Thank you very much for this opportunity to speak to you. I want to speak particularly on the parts of Bill 26 that relate to municipalities and particularly on three points, the restructuring, the dissolution of boards and municipal finance.

Basically—a point I know you've heard before—my point is that this bill is making absolutely major changes to the way municipal politics goes on in Ontario and this is being done with terribly little discussion. The municipal parts of this bill are tiny parts of a huge overall bill, and as we know, it is the health aspects of the bill that have been mostly discussed.

Worse than this, a lot of the major changes in the legislation will come through regulations that will be passed and are not even in the legislation and therefore, it seems to me, are distressing both in the sense of the tradition of public discussion of important issues and also of the responsibility for legislative decision-making.

I should add, as I'm sure many witnesses have said before, that I'm not entirely sure in all cases that I exactly understand the way the bill will work out. Second, as I raced out of the house this morning, I hear on the radio as I'm leaving the door that a series of changes have been made to the bill that concern the municipal parts, so probably half of what I'm raising questions about is no longer true. This obviously adds to the public's sense of frustration about this bill.

I have two major points. The first is about the importance of public discussion in a democracy, and the second is that in the case of municipal politics it is extraordinarily important that local regions, local communities, get to discuss and come up with solutions suitable for their local communities. It seems to me that the bill does not do this, that it acts against this by centralizing, but centralizing in a way that is somehow difficult to identify. It seems to me that though it speaks of municipal autonomy, it really acts to go against municipal autonomy.

Il y a donc trois questions sur lesquelles je veux me concentrer : la restructuration, la dissolution des agences et commissions spécialisées, et la tarification.

Sur la question de restructuration municipale, et c'est l'article 1 qui vise les articles 25.2 à 25.4, article qui veut faciliter la restructuration, mon objectif n'est pas du tout de contester l'objectif de la législation, qui est la restructuration. C'est plutôt que la question centrale, qui est dans l'article (iii), où l'on dit que le ministre va par règlement «prévoir le degré d'appui exigé pour appuyer une proposition de restructuration», n'est pas dans la loi. Donc, ça veut dire, si je comprends bien, qu'on ne sait pas qu'est-ce qui va être la question centrale. On ne sait pas qu'est-ce qui va être le degré d'appui nécessaire.

Dans un sens, tout le monde est pour la restructuration, dépendamment du degré d'appui. Qui doit appuyer la restructuration ? Est-ce que ça doit être l'ensemble des municipalités ? Mais on dit dans la loi que le ministre va par la suite faire les règlements.

Donc, je dirais que la question centrale sur la restructuration est évitée dans la loi, parce qu'on ne sait pas quels seront les propos du gouvernement. On ne sait pas si le gouvernement prévoit qu'il faut que l'ensemble d'une région soit d'accord ou si c'est la plupart de la population ou quoi.

Donc, là encore on peut être pour ou contre la restructuration, mais on ne sait pas, si je la lis bien, quel va être l'impact de la loi. Je crois que ça, au lieu de favoriser, comme je le disais, l'autonomie municipale, va faire le contraire, parce qu'on ne saurait pas, jusqu'à l'impression du règlement par le ministre, quel sera l'impact.

Therefore, on the question of restructuring, I'm not saying I'm for or against the restructuring, but I think the legislation is dangerously vague in that the central point is left up to ministerial regulation.

On the second point, the dissolution of local boards, once again my concerns are primarily about the nature of the legislation. For instance, on page 145 of the bill, where it says the minister will make legislation "until a regulation under subsection (7) relating to the dissolution of that type of local board is in force," as I read that, it means the province will decide what kind of local boards they want to dissolve but won't tell us.

At the moment, there is no way to debate: Are school boards necessary? Are library boards necessary? Are children's aid boards necessary? What do they involve? What do they not involve? Again I apologize; I've taught municipal politics for a long time and I ought to be able to read the legislation. But as I read the legislation, the municipalities cannot dissolve that kind of local board until the minister decides that's the kind of board he wants to dissolve. It seems to me that there again it is a crucial question of municipal politics and the way Ontario has governed itself.

#### 1650

I want to come back to the point that Frank Martin just made, that it is the absolutely wrong way to go about establishing partnerships with local community groups to do this, saying, "We may dissolve you, or you may be the kind of board that you can be dissolved if you want to be," rather than engaging in a debate. I, as a number of people do, sit on a number of community boards. We are being told by all kinds of people now that local citizens must do more in the governance of their communities. It seems to me totally going against municipal autonomy and community local respect to simply hide what kind of agencies may or may not be dissolved.

As I understand it, the municipalities will be able to dissolve those kinds of local boards once the minister has decided that those are the kinds of boards, and again my point is largely the point of the absence of public debate. There have been some debates, not very much in Ontario recently, about whether we should have school boards. To me it's a debatable question. There are advantages towards the amalgamation of all local functions into a single-purpose body. It is also valuable, and certainly the Ontario tradition has been, to have a variety of local boards, that kind of local participation.

But it seems to me that this bill is what I was going to call "avoid debate centralization" because it doesn't bring out for debate what kind of boards are being seen as old-fashioned in the modern world and what kind of boards are still useful. It says that at some point this kind of board will be allowed to be dissolved and then municipalities can buy in. In terms of encouraging local autonomy or in terms of encouraging a genuine citizenship and a



genuine partnership between community groups and the government, this is not the way to go.

La troisième question que je voulais soulever dans une brève présentation, c'est la question de la tarification des services. C'est clair dans le projet de loi que le gouvernement veut encourager les municipalités à imposer des frais pour les services. À mon avis, c'est un changement énorme dans l'histoire de la fiscalité municipale en Ontario. Nous avons une tradition d'utiliser beaucoup moins que d'autres juridictions la tarification des services. À mon avis, on agit encore là sans discussion, sans débat.

There's even some discussion—and the mayor of Ottawa alluded to this—that, “We say we're imposing user fees so as not to increase taxes.” That's absolutely ridiculous. User fees are taxes. It's just that the weight of the taxation is on different groups.

I'm sure you are aware of the work that was done on user charges by the ex-Premier's Council on Health, Well-being and Social Justice. Granted, those studies were done on user charges in the health field and we're now talking about the municipal field, but they do establish, as most of the literature on user fees has always established, that user fees are basically ways of putting taxation more on the less wealthy in the community.

Again my argument: I personally am not in favour of user fees, but I also think there's an important argument about debate. Are we able to have a discussion in the province about which way we want to go? The mayor of Ottawa, and here I would disagree with her, says this is a fact of life. I don't think anything is necessarily a fact of life; I think these are discussable things. We in Ontario should be able to decide what kind of tax incidence we want. As we all know, the tax system is an incredibly interesting system in that you can have all kinds of effects on the taxation. The Golden report, for instance, just to give that example, has some kind of interesting ideas about how we could look at the form of urban development through the tax system and try to act on that. We all know the tax system is a very inventive system.

But to simply slide through user fees or the increase of user fees as being an obligation—rather than increasing municipal autonomy, what this is going to do is that municipalities are going to say: “Gee, we have to do this. This is the line of the legislation. Let's introduce more user fees.” I would suggest to you that most of the literature on user fees has always been to argue that user fees have generally been a form of taxation that weighs more heavily on the less wealthy.

As I said, I wanted to touch on these very brief points to say that this legislation is making huge changes in the way municipal government operates in Ontario, in the financing of municipal services, in the operating of municipal services, in the whole philosophy of public services and local government. They're being implemented without discussion, largely. They're being implemented because they're being buried in this huge omnibus bill in which municipal questions are, for very good and sufficient reasons, minor questions compared to the health care reasons.

They're being, I would think, a little confused by the fact that the legislation changes as the discussion is going on; those people who thought they understood what the

legislation was proposing then discover that's been changed. I suppose when one's in favour of the changes, that's a good idea, but it certainly doesn't encourage public discussion and debate. I suspect that in a number of ways some of the sections on municipalities are really counterproductive in that they do not foster a sense of the regions in this province having to come up with their own way and their own solutions to their problems. I suspect that not only is this legislation not in a highly democratic tradition, but I suspect it's rather counterproductive at the same time.

**Mr Silipo:** Thank you very much, Professor Andrew, for your presentation. It was certainly an interesting analysis of the process and the impact that will happen with the government actions on a variety of fronts. You made that point that the government won't tell us what its intentions are with respect to boards. You used that example, but I think it would apply in a number of other areas. We would argue it's typical of what the government has been doing. Their actions, it would seem to me, are based on the premise that they won the election on June 8 and therefore ought to be able to govern as they see fit, and they know best and they should just get on with it, and why should the rest of us really have any right to get in the way of their delivering their agenda, whether or not that agenda was one that they explained to the people of the province in the election? They're the government, and they should govern. Is that an extreme categorization of the attitude you see from the government?

**Ms Andrew:** To the extent that the government wants to move in the direction of getting citizens within the province to do more of the governing of their community, if that is the intent, this is the totally wrong approach to take. If you really want to build up partnerships with non-governmental organizations, with private citizens working in their community, the way to do it is with the maximum of clarity and the maximum of being clear about, if I take the example of boards and agencies, which boards and agencies are seen as useful, which boards and agencies are seen as perhaps, well, not so useful. Whatever the reason, it is totally counterproductive to building the kind of society where people can take an increased amount of interest in the governance of their community not to make it very clear.

**Mr Hardeman:** Good afternoon. I would say I would agree with you that the legislation creates major change in the way municipalities are going to be governed or are going to be able to be governed in the future with this legislation. I also point out that a number of municipalities have made presentation that they do not feel that the change is major enough, that there need to be even more changes made because they feel they are the level of government closest to the people and can implement the people's wishes and their ability to pay more closely than Queen's Park can. I suppose that would be open to debate from the different sectors of the economy.

I do want to deal, first of all, with the issue of the restructuring process and the difficulties with it. A lot of presentations have been made, and I personally believe that that's what this process should generate. We should start with proposed legislation, listen to the presentations made and then change where change is required to meet



the needs of the presenters who came forward. So I don't make an apology for bringing forward amendments, having listened to the presentations, and coming forward with what would be improvements.

1700

One of the areas that we have put forward today is in the area of restructuring, to go a little bit broader on what the commission or commissioner would be required to do in order to meet the end result of restructuring a municipality, including such things as holding public meetings and consulting with each municipality and coming up with a proposal that meets the needs of the local communities. Would that solve some of your concerns with the restructuring part of the bill?

**Ms Andrew:** Some of them. But it seems to me my major concern is that the legislation simply says the minister will make regulations on what will be the criteria for acceptable support. It seems to me, in a sense, that is the crucial question. It seems to me the government should be prepared to be clear—I'm not talking about absolutely specific numbers, but it seems to me that the legislation should be much clearer on what kinds of support the government is talking about. Is the government talking about that it will introduce legislation when the city—whatever? But to simply say, on that absolutely crucial question, to give no guidelines in the legislation and say simply, "There will be regulations about that," seems to me to be in a sense centralizing the process so much that it will not generate regional discussion about what is a compromise solution, because in a sense the central definitional question is absent.

**Mr Hardeman:** The other issue would be the area of user fees and the public debate about user fees. You suggested that we should have a public debate, and the consensus of the province, whether user fees should or should not be used as a way of funding the services. Do you not feel it's the type of debate that would be more appropriately put at the local level, that the municipality could have that debate about whether that's an appropriate way to fund the services in the local area as opposed to a province-wide position?

**Ms Andrew:** Yes, I think this bill is a province-wide position. I think the bill is saying, "Push user fees." In a sense, I agree with you. I think that is not a—

**Mr Hardeman:** Recognizing that of the user fees that would be available to municipalities, a great number of those they presently have the ability to implement, without the change in the legislation to allow it to be a broader direction. If the municipalities needed to raise funds, there is nothing today to prevent them from doubling the user fees that they presently have a right to implement. I would use one example, the right to implement user fees on garbage collection. Most municipalities have decided not to do that.

**The Chair:** Excuse me, Mr Hardeman, we've come to the end of the government caucus time. I apologize for interrupting.

**Mr Lalonde:** Madame la professeure Andrew, je tiens à vous féliciter de votre présentation. Nous partageons votre inquiétude. Nous croyons que le projet de loi est dictateur, et puis que c'est exact que le ministre va avoir les pouvoirs d'abolir des commissions, des bureaux de direction, et aussi de déléguer les pouvoirs aux municipalités.

I see that you're worried about user fees. We are concerned too, especially in rural areas. A day care, for example, the day that we will apply the user fees heavier than they are at the present time, we have a chance that the day care centres will be closing in rural areas—when I say rural areas, such as the municipality of Rockton or Hawkesbury or any of those places—because there won't be enough children in there after to keep the day care going.

Also, when we're talking of user fees for garbage collection, for example, everybody's paying for garbage pickup at the present time as long as they are giving a reimbursement for that. We are concerned about the fire protection, we are concerned about the police protection user fees. There's a lot of domain at the present time that we are concerned with.

Je peux dire définitivement que nous encourageons les groupes à soumettre des amendements afin que le gouvernement les regarde de très près et pour qu'il prenne en considération les présentations que font les groupes, comme vous le faites ici aujourd'hui.

Donc, encore une fois, merci pour avoir pris le temps de lire le projet de loi. Maintenant je vais passer la parole à mon collègue M. Gerretsen.

**Mr Gerretsen:** Professor, I've had a great interest in municipal politics for the last 20 years I've been involved, and I was also involved with AMO at one time, as its president as a matter of fact, about 10 years ago.

Unfortunately, I think what the government missed in the whole municipal affairs area is this, and I mean this in all sincerity and as non-partisan as I can be, and that is the whole notion that yes, they talked to AMO, but they forgot one important other player in this and that's the general public. Now there are some amendments coming forward that apparently are going to introduce a public meeting concept etc, but it seems to me it's unfortunate that the process, whether we're talking about the introduction of the bill or the way in which these meetings are handled, which—I don't call this consultation. You can make a presentation, as all the other people have done, and we have a couple of minutes to respond back and forth. That's not true consultation the way we know it.

At the municipal level, I think one of the reasons it works so well is because there are many public meetings in many different areas, and municipalities would be absolute idiots to implement anything of a major nature without having that kind of public input. I just wonder what your comments are on that, that it's the process rather than the substance of the legislation here that has really sort of gotten in the way, because as far as I'm concerned, the government really forgot about one other major player in this whole exercise and that's the general public. Do you have any comments on that?

**Ms Andrew:** I agree in the sense that my presentation is based on the fact that I think indeed in some ways, in a number of ways, the legislation is counterproductive because it is not building that kind of discussion that will make local and regional solutions easier to find rather than harder to find.

**The Chair:** Thank you, Mr Gerretsen, and thank you, Professor, for coming forward today to make your presentation to the committee.



## BIG RIDEAU LAKE ASSOCIATION

**The Chair:** We have two more presenters. I understand we actually just have a copy problem on the agenda, and the Big Rideau Lake Association doesn't appear, but they were scheduled to be on today and we just have the wrong copy. So we have the Big Rideau Lake Association to come forward and then we have the region of Ottawa-Carleton, and that will be the end of the day.

Welcome, ladies and gentlemen, to the committee. You have half an hour to make your presentation today. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to receive response questions from the three caucuses. I would appreciate it if, for the benefit of Hansard and committee members, you would take some time at the beginning of your presentation to introduce yourselves.

**Ms Julia Sneyd:** My name is Julia Sneyd, and I'm a past-director of the Big Rideau Lake Association. With me is Mr Bob Sneyd, who is the director of the Big Rideau Lake Association, and Mr John Peart, who is also a director of the Big Rideau Lake Association. We are a volunteer, non-profit organization concerned with planning and environmental issues. I will now refer to Mr Bob Sneyd who will present our brief, which I believe you should all have a copy of at present. No, you don't have it?

*Interjection.*

**Ms Sneyd:** Yes, there's a letter.

**Mr Robert Sneyd:** As the letter is being circulated, and by way of introduction, the Big Rideau Lake Association represents all users on what is really the largest lake in eastern Ontario, stretching some 22 miles and with literally hundreds of miles of shoreline, situated in two counties and five townships, with one conservation authority, in this case, in our case, the Rideau Valley Conservation Authority.

Our main mandate is to address and assist the various municipalities with planning-related issues, ecomanagement projects, resource issues such as water quality and wildlife habitat, public safety matters concerning navigation etc, and lake-specific research projects. In other words, for the wellbeing of all users whether or not they are based in the municipalities. I think it is important to underline that this lake is very open, having, for example, some 9,000 to 10,000 boats pass through it, courtesy of the Rideau Canal facilities, having six marinas based on its shores, 10 independent launching ramps, two villages and some 1,400 shoreline residents, and it is located near the headwaters of the Rideau watershed system.

1710

We've addressed our comments in this brief letter, which we'll speak to in a moment, in a non-partisan way, because we believe that both developmental and environmental issues are best looked at from that side, so I would direct you to the letter. Mr Chairman, with your permission, to facilitate and to compact our presentation—it's the end of the long day for you all, I know—we would propose that within 10 to 15 minutes we can complete the presentation and allow some time for questions thereafter.

I would like to proceed, if I may, by indicating, as you may have already seen, that there are seven short, three-

to five-line paragraphs in this letter. I am not going to read our presentation, but I would simply like to comment in one or two minutes to each of these paragraphs, if we could do them sort of in order and then, following that 10- to 15-minute time period, have a chance for any questions that you have. In respect of the other people who are here at the table, perhaps I will read the paragraphs, however, since they don't have the copy in front of them, but I'll comment on them in order, one at a time, if I may:

Good development in Ontario relies on effective work by conservation authorities in partnership with municipalities, government agencies, non-government organizations and the province.

I'd like to comment on that paragraph by underlining the words "good development." We're in favour of good development, and we think that means cooperative, sensible planning, management and use of our scarce resources. We believe it's only a sustainable healthy environment that will be the basis for long-term sound economic growth. Bad development, on the other hand, may yield short-term gains for long-term fiscal drains.

The other key word in that sentence or paragraph is the word "partnership," and that's where we see the conservation authorities as being crucial. We see them as a vital link. We've had a lot of experience over the last number of years with the Rideau Valley Conservation Authority, and we can testify to that experience directly, though I think this is a matter of provincial concern and it's in that setting that we drafted the letter.

The conservation authorities have a proven record and they have been endorsed as recently as last week, in the Golden report, where the Golden report envisages conservation authorities to continue in their reporting function to municipalities. Even to think about the dissolution of conservation authorities—well, it is unthinkable, in our view. If I might digress from section 27, which is the focus of this letter, given the fact that conservation authorities are established by a majority of municipalities, we find it undemocratic, to say the least, that the bill suggests conservation authorities may be disbanded by a minority of municipalities, but that's a slight digression.

The second paragraph: This is true in natural regions defined as watersheds, whose economic and environmental realities cross municipal boundaries, and particularly true in relation to Big Rideau Lake, which is located in five different townships and two counties.

"Watersheds" is the key word there, and we think this is what is not being given sufficient credence by the majority members of the Legislature, presuming they are behind this legislation. If you look at the Conservation Authorities Act, the mandate is a pretty broad umbrella: study, conserve, restore, develop and manage watersheds. Watersheds. The act was written in 1946, I guess by a Conservative government, and its objectives still make sense 50 years later.

The watershed concept has been internationally accepted as a management principle, and at the same time, an assumption of economic strength and growth is always tied with a healthy environment. Again, recently, only last week, the Golden report reinforced the watershed concept and gave a very careful independent and comprehensive review of conservation authorities, incidentally. Water flows, obviously, and that's the whole point. So much of



municipal concern is based on land base. Water flows downstream, and it's the downstream recipients of the water who, of course, are most liable to any kind of adverse growth development or pollution.

We see the conservation authorities and the watershed systems as, if you wish, like a highway. If it's choked up, the health of the whole body politic is affected. Healthy watersheds are the lifeblood, if you wish, to all the communities in the environment. The CAs, therefore, we believe are crucial intermunicipal bodies because they take a holistic approach as opposed to tendencies towards fragmentation. The key idea there is watersheds, and we think the bill should address that. The Rideau Valley watershed, incidentally, is some 5,000 square kilometres, one of the larger ones in Ontario, and it's also interesting to note that some 90% of populated Ontario is covered by conservation authorities.

The third paragraph: Conservation authorities such as the Rideau Valley Conservation Authority have, for years, demonstrated the commitment and expertise to interface and coordinate in an expeditious and cost-effective manner.

The key word to my mind there is "expertise." Very briefly, in commenting on this paragraph, I think it's demonstrable that most of the conservation authorities have the level of commitment and expertise that we have seen in the Rideau Valley Conservation Authority, and the essential services that they provide municipalities, we think, must be maintained.

I was talking to the professional planner of a town in this watershed, a town of some 6,000 people, only a day ago, and he underlined the importance in his view of the conservation authorities. Even though this town has a professional planner, he would despair of a future where conservation authorities were emasculated, and what of the other rural municipalities that can't afford planners on a regular basis? It boggles the mind.

We see conservation authorities as an agent for municipalities, as a servant, if you wish, implementing provincial and township municipal standards and criteria, accountable to municipalities—fair enough; they're not wild cards, they're not a third-tier level of government—and efficient management organizations. Bill 26, fairly enough, addresses the problem of fiscal savings. We agree with the objective. We think conservation authorities are a means whereby some of those objectives can be realized.

Paragraph 4: From this it is clear that the proposed changes to the Conservation Authorities Act, section 27, must be amended to allow CAs to respond to the majority wishes of the component municipalities should they desire watershed planning and management services beyond those of mere flood control.

I think this is the crux of our message, that the majority of municipalities must be able to engage the services of CAs, as already referred to in paragraphs 2 and 3, without repeating anything there, and it would be to strangle the CAs were they to be limited to merely flood control structures. That would destroy a legitimate and historic function of the CAs. Bill 26 must allow municipal freedom for a majority of municipalities in a watershed to engage CAs to help fulfil there the municipal responsibilities, particularly at a time when increasingly powers are being downloaded to municipalities.

Paragraph 5: Such municipal flexibility, together with the ability to raise necessary levies, would be a reasonable expression of local "autonomy and accountability," consistent with the principle espoused by the Minister of Municipal Affairs in a recent letter of January 2.

The key word here is "levies." Again, it would be false yardage to grant added powers to municipalities and responsibilities, without giving them some power, and the levies they should be able to raise to support the conservation authorities, we think, are crucial. The CAs are accountable and they are perhaps the best vehicle to pool efficiently municipal resources on common ground.

1720

Paragraph 6:

The province, too, has sufficient general interest outside municipal jurisdiction to continue some level of financial support for conservation authorities.

I'd like to speak to that sentence first. The province does have a share and an interest, we think, for general amenities for economic development and growth that lie outside the boundaries of municipalities per se, and a lot of these amenities and watersheds are provided by water resources, and certainly they go well beyond mere flood control structures. So we would like to think, while it's understandable in this time of cutbacks, that less money would be directly transferred to conservation authorities, that some money still is legitimate to flow directly to CAs.

The second point in the paragraph: As well, it would be prudent for the government to embrace the recommendations to be found in the Restructuring Resource Management in Ontario: A Blueprint for Success, a study prepared by the Association of Conservation Authorities.

Bill 26, again, we do not quarrel with the objective. The streamlining objective is quite a reasonable one, and we think that if this committee and the House give due attention to that blueprint, a document which apparently was forwarded to both the present government and the previous government, they would be well served by the principles to be found in the blueprint for streamlining.

Times are changing. Provincial ministries like Natural Resources and Environment and Energy are withdrawing from field delivery and focusing more on scientific research, policy direction, auditing, monitoring, advising, enforcement and so on, but then more and more devolves on municipalities or their agents, we would say the CAs, to be involved in the field delivery. I think you'll see in the blueprint structure for changes that plan, and it's a very solid one, we think, and one that we believe this bill should take into account.

Finally, paragraph 7, in summary:

Good development will save money for all interested parties—small p—and taxpayers, now and in the future. In this, conservation authorities have a vital role to play. Big Rideau Lake Association fully supports the role of the conservation authority in general and the Rideau Valley Conservation Authority in particular.

Again, the objective of Bill 26 is to save money. In summary, we believe fiscal prudence means, in the case of CAs, pennies spent for prevention will save costly cures down the road.



Thank you very much for this opportunity for making this presentation, and we welcome questions or any dialogue at this point.

**The Chair:** We have four minutes per caucus for questions. We start with the government caucus. Mr Sampson.

**Mr Sampson:** Thank you very much for your presentation. Frankly, doing it in the way you did, I found it very informative to hear your thoughts but follow along with your letter.

What we're trying to do with this particular legislation is, I think, re-establish the watershed management issue as a local issue, but the problem that you've raised and the concern that was raised by at least two other deputants so far is that when you say "local," it's more than just one municipality you have to deal with or one township; it's two or three or a large number, and chances are they're generally not likely to all have the same view, but the issue still has to be resolved locally.

The legislation here says: "All right. With respect to flood control, that's a provincial issue, we think, and here's the funding to be able to deal with that. With respect to watershed management issues, that's perhaps more of a local issue, and we need to ensure that the CAs are properly empowered in the municipalities to come to some resolution with respect to watershed management and to determine how to fund it, which is probably the most important part of the equation, since we've taken money out of your pocket." We've cut the money that we're allocating to CAs.

Do you have difficulty with that general theme? I don't want to get buried in the specifics of the legislation, clause this and clause that, but do you have any problem with the general theme?

**Mr Sneyd:** Our reading of the legislation is that while the principle we can go a long way to agreeing on, the legislation appears to prevent CAs from raising levies through the municipalities for anything other than mere flood control structures, and that's the Achilles heel of this aspect of the bill.

**Mr Sampson:** Maybe we then have to get into the minutiae of the clauses, because I don't, frankly, see that, because I see that the CAs have the authority to apply the levies, and there is an appeal mechanism for the municipalities to say, "Well, no, I don't think that's the right levy amount," and the process goes on. There's also the ability to come back to the minister and say: "Listen, I can't get these people to come to some conclusion as to what the issue is. You help me tell them what it is they have to pay and what it is we have to do to deal with the watershed management issue."

That's my interpretation of the legislation, so I must be missing something that you're seeing in here that's not giving you what you're looking for as part of the local empowerment aspect of what we're discussing.

**Mr Sneyd:** That's your own personal view, which I appreciate. Legally, how do we read the bill? Is the question we raised a non-starter; in other words, do the municipalities have power to raise levies necessary for the CA work that's needed in their watershed?

**Mr Sampson:** That's my understanding.

**Mr John Peart:** If I may interject at this point, how we read it is that if a levy is raised by a CA, obviously the

municipality can appeal, and that's fine. It will go before an entity which I had never heard of before, which is the—

**Mr Phillips:** Mining and Lands Commission.

**Mr Peart:** Thank you very much—Mining and Lands Commission, but I don't see anywhere in the section that there is a further right of appeal to the ministry itself; in fact, it says here there are no further appeals from the decision of the commission. Perhaps it's just our misreading of the situation, but—

**Mr Gerretsen:** No, you read it right.

**The Chair:** I'm sorry. We must move into the opposition time.

**Mr McGuinty:** Thank you very much for your presentation. It's good to hear from someone who's touching on the broader issue of the environment and some of the negative impacts that are going to be had on it as a result of Bill 26.

Just in passing, I want to let you know that I didn't know much about CAs prior to being elected in 1990, but what I have learned since leads me to believe that really they are a hidden jewel. They're away ahead of their time in terms of the holistic approach, the watershed concept and the good work and the tremendous bang for the minimal buck that's been invested. They've been a very, very positive development in the history of the province.

I wish I could be more positive in terms of the government's approach to environmental initiatives generally. The other day I put out a press release, and I kept track of these things very closely, and I listed on one page all of the initiatives taken by the Harris government designed to protect the environment, and I had nothing to put on that page, and then I had another page listing all the Harris initiatives which are eroding protective measures, and there were 22 measures there.

You're going to sustain a 70% cut in funding. My understanding is that under Bill 26, effectively, a minority of those who are entitled to seats on a CA board would be permitted to dissolve it. It's also my understanding that there wouldn't have to be a public hearing for that to take place. Is that correct too?

**Mr Sneyd:** That's our reading of the bill.

1730

**Mr McGuinty:** It's also my understanding that some of the lands that have been received by conservation authorities were in fact donated, and there was kind of an implicit trust that they were to be used and administered by the conservation authority.

There are some municipalities, I gather, which aren't particularly partial to conservation authorities. Do you think there was some kind of deal here cooked up between AMO?

**Mr Sneyd:** May I speculate?

**Mr McGuinty:** By all means.

**Mr Sneyd:** I don't know. It's entire speculation. You tell me. All I know is that 41 municipalities compose Rideau Valley. We are aware of no municipalities that are lobbying anybody to say, "Get rid of the CAs or weaken the CAs." Not at all. I was in touch with the Rideau Valley and I said: "Across the province, are there not CAs that are really rotten apples in this marvellous barrel, that they should be gone after?" He said, "Frankly, we are not



getting any feed from municipalities." So what is it? I don't know anything about AMO. Maybe one or two people hijacked AMO and they are not representative of the municipalities across this province. That would be my speculation.

**The Chair:** Excuse me, we must move to Mr Christopherson's time.

**Mr Christopherson:** Thank you very much for your presentation. I am really glad you got on the agenda. It is heartbreaking to go through a whole day anywhere and not have the environment raised at all, particularly given the seriousness of what Bill 26 means to our environment. So I thank you very much for your presentation and your persistence.

One of the things I find really ironic—and I suspect if it was ever put in front of John Crosbie he'd just start spinning on the spot—is the Tories like to talk about "short-term pain for long-term gain" and yet this time around on this issue it very much seems to be "short-term gain for long-term pain." They are going to find the immediate savings that the 70% cut will bring them for the short-term fiscal need they have, but in the long term it is going to do immeasurable damage to the environment, and the cost.

I am from Hamilton and if any community understands the fact that if you don't deal with the environment in the short term in the long term you'll pay, it's Hamilton. We saw that with our harbour. If we had a chance to do that over again, we would put a lot of measures in place that we didn't at the turn of the century when we became the manufacturing steel centre of North America, arguably. But we didn't, and yet here we are with a government that's prepared to ignore those lessons of history and do what they're doing.

It has been suggested in my community, when the Hamilton Region Conservation Authority came forward, that they believe that there are CAs in Ontario, a lot of them, that will actually fold up. I'd like your thoughts on that. They will just entirely disappear because they won't be able to survive this kind of a cut. Secondly, that many of the lands that are now held in trust by the conservation authorities may indeed find themselves out on the free market and sold and lost forever as a public treasure and public use for generations to come. Could you comment on those two aspects, please?

**Mr Sneyd:** If I could speak to the latter one first, while we haven't addressed this in our letter, it is a problem. To me, it is unthinkable that lands that have been gathered over a period of 50 years and have been donated or sold cheaply to conservation authorities would be sold off. That is a betrayal of trust of the past on the one hand, and it is a betrayal of trust in the environmental future on the other hand. It's my personal opinion on that.

I don't honestly know, to answer your first question whether there are some CAs folding up their tent or not. I have asked the question because you appreciate that our organization is entirely separate from the Rideau Valley, although we work with them and have worked with them for years very cooperatively.

My sense is that RV—and it may be a very healthy one; I don't know so I can't answer—can survive, I think, if it has the ability, working with its constituent municipalities, to be able to raise the levies.

For example, the regional municipality of Ottawa-Carleton apparently has no question about the existing levy for the upcoming year. So as long as they have the power cooperatively to raise levies sufficient for the work, which goes in the Rideau Valley way beyond flood-control structures, most of which are looked after by federal authorities as you can appreciate, then I think RV can survive. But I couldn't speak to any other authorities. I have no knowledge.

**Mr Christopherson:** That's fair. I appreciate that. The last thought is—if we have time, your comments would be appreciated—I would hope you don't get too discouraged because I don't, quite frankly, believe it's very likely that we're going to see amendments that will mitigate the damage that you're concerned about. I think it's going to happen regardless. I would hope also that you and the other CAs will be monitoring what's happening and reporting to the public on both the environmental cost of the changes in Bill 26 as the powers in there are executed and, secondly, the fiscal costs so that we can make that case to the public that the government was warned, here's what they're doing with the power they said they didn't want to use, or the fact that they said no, that wouldn't happen, and here is the resulting cost in terms of our environment and the dollars to future generations should we ever get back the political will to do something about it.

**Mr Sneyd:** Well, maybe I'm an eternal optimist. I think there are reasonable people at the table and they could address needed amendments on this particular aspect of the bill. If it takes longer, so what? If they need to be deferred to further consultation, so what? If, as you suggest, it becomes that it's a done deal and it's going to happen, then you can be sure that our organization and thousands of others across the province will continue to monitor the damage and make every attempt to redress.

I'd like to think at this stage, despite the compressed time lines, that there still can be something done. I would urge the majority of this committee to face the Legislature with some honest and enlightened amendments to advocate under Bill 26. It would be politic for the majority of this committee and the majority of the Legislature to do that, I think; I really do. I'm not saying that in a threatening sense. I think it's responsive to the people. Quite candidly, if you looked at how our association voted in the last election, I wouldn't want to suggest just how many of our members might have voted Conservative. You know what I mean.

**Mr Gerretsen:** Heaven forbid.

**Mr Sneyd:** Heaven forbid, but you can't tell. It's a secret ballot.

**The Chair:** Our half-hour has come to an end, and I want to thank you all for coming forward this afternoon and making your presentation to the committee. Thank you very much.

#### REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

**The Chair:** May I please have Mr Peter Clark, regional chair, regional municipality of Ottawa-Carleton, come forward. Good afternoon and welcome to the standing committee on general government. You have half an hour



this afternoon and this early evening to do your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for questions or responses from the three caucuses. I'd appreciate it if you'd both introduce yourselves at the beginning of your presentation for the benefit of Hansard and committee members.

**Mr Peter Clark:** I'm Peter Clark, chair of the regional municipality of Ottawa-Carleton, and with me is Wendy Stewart, regional councillor and, incidentally, chair of the Rideau Valley Conservation Authority.

**Mr Phillips:** I see why this part is in here about going slowly.

**Mr Gerretsen:** What's this about conservation authorities?

**Mr Clark:** That's a collaborative arrangement, as far as I'm concerned, just to get it started.

I'd like to thank you for allowing me to have an opportunity to speak to you, given, I understand, the pressures on the schedule and other things. I'll do my best not to leave any time less than the half hour so I don't have to listen to any rhetoric. That's it. Loosen up a bit, anyway.

**Mr Silipo:** It's been a long day.

**Mr Clark:** I understand it's been a long day. I had a prop I was going to bring with me today, a little boxing glove somebody gave me, because every now and again I feel battered, and I suspect that you do too.

**The Chair:** I would have had to rule that out of order, though.

**Mr Clark:** It has a little squeak to it which would have certainly been something different than what you've been listening to; you've been listening to loud squeaks, I understand.

As I said, you've heard a lot of presentations today, and certainly some earlier that I might wish to digress to if I get through the meat of the presentation. The regional chairs across the province are also going to be submitting as a group to this committee, and that, I believe, is being faxed to you tomorrow, so I'll try not to duplicate too much of that material so you won't get it twice.

1740

The economic and social challenges of 1996 necessitate a serious and swift action and cooperation between the provincial and municipal levels of government. Taxpayers are demanding that we work together to seek efficiencies, attack debt, hold the line on taxes and provide services. The first three are one thing; the latter seems to be somehow or other occasionally missed in the equation. It is a concern of all of us to get the house in order, whether it's at the federal level, provincial level or municipal level. I get many calls from people who say quite clearly: "We support the provincial reductions. We believe the province has to do it." Well, frankly, I believe most of us at the municipal level do believe that something had to be done.

With respect to how we then approach this, I think it's incumbent on me as chair and chief executive officer of the regional municipality to try to approach this bill in a constructive and supportive manner. I make it clear to you, all of you, that I wasn't elected as the opposition to the provincial government, whether it was the Davis government, the Miller government, the Peterson govern-

ment or some other government whose name I would hope fades into obscurity as quickly as possible.

**Mr Christopherson:** That's a class act.

**Mr Clark:** I thought you'd like it.

**Mr Silipo:** Can I take back my agreement to hear Mr Clark?

**Mr Clark:** Thanks, Tony.

Overall, I believe that Bill 26 will facilitate positive change and promote greater flexibility on the part of municipalities so that they can respond to the fiscal pressures confronting us on a daily basis. I support the initiatives identified in the bill: to reduce the number of special-purpose bodies; simplify funding arrangements between the two levels; and improve various statutes, especially with regard to interest arbitration, because I believe that will result in substantial savings.

There are a number of observations and specific recommendations which I hope will be helpful. I will be initially addressing the aspects of Bill 26 dealing directly with the proposed amendments to the Municipal Act, schedule M. That is, I guess, the area that affects us directly, although there are some related areas that clearly affect us on a community basis.

Bylaws imposing user fees and charges: I am generally in favour of these amendments in the sense that municipalities need to be able to raise revenue to deliver services. The current financial and budgeting problems facing municipalities, together with the substantial reduction in provincial transfer payments, require greater flexibility in municipal funding arrangements. Consequently, the proposal to broaden the ability to raise revenue through user fees is a welcome idea. Above all, if the province wishes, however, to mandate new services or enhance the levels of service already in existence, it must be prepared to provide the financial resources, either directly or through empowerment. You cannot insist on certain types of service delivery unless you either supply the funds or supply the ability to raise the funds for that particular service.

Concerns have been raised in the media and elsewhere about the user fee provisions being draconian; we're going to have poll taxes—nonsense; impose sales taxes—that's a provincial jurisdiction; we're going to have GST, PST and LST, for local sales tax—I think not; and commodity-related taxes. I've never been in favour of imposing local gasoline taxes or other such measures. But you certainly will hear me say that I believe those taxes that you charge for that at a provincial level should go to that expenditure envelope, not general revenues.

It's critical, in spite of that, that municipalities have the high degree of flexibility that's contemplated in this bill. I would caution you, though, that you have to match the service standards you wish to impose on the municipalities to the ability and flexibility to raise the revenue to accommodate that. In other words, if you set provincial guidelines for spending, allow the freedom to properly do that. That's the only way to be accountable.

In the spirit of partnership between the province and the municipalities, it is essential as well that there be communication and exchange of financial information. There will be provisions for that. However, it is important that this exchange be done in an efficient way, in a meaningful



way. The structure in which this should occur should reflect the needs of both partners. A lot of bookkeeping done at the local level to accommodate a provincial bureaucratic machine—if you cut some of that out, we'll both save money.

I think the ministry should look at setting up a task force on these intergovernmental requirements and see whether or not there's an improvement that might take place, an exchange of information that might be beneficial for future fiscal planning.

I fully endorse the concept of the bill related to the dissolution of some boards. That's not all. But you must admit that if we are to achieve accountability, Mr Phillips, in a very clear way, accountability says that if I am delivering a service and I am paying for it, somebody else shouldn't be appointing the people who are going to dictate how much the bill is. We have never been able to—and this has been all levels of government—at the local level for a long time in particular with the police service boards. You can argue that there are service standards we are talking about here: "We want to insist on a tamper-free police service. We want to be pure as the driven snow. Therefore, we will appoint the people." Unfortunately, in our case they're spending some \$115 million of property tax money, which I have to go to the well for and I have to take the responsibility for to the public of Ottawa-Carleton. Therefore, I believe it makes some sense that you follow the golden rule: Those who have the gold make the rules.

Talking about financial accountability from the Common Sense Revolution, every government that I have ever dealt with talks about accountability. I think that if the government is paying the bill, it should be the one that is accountable, because that's who in the end has to answer to the people. Regional council, as the financially accountable body, should have control of police budgets and appointment of the members. Do not exempt them from this bill in terms of the elimination of boards. We've got some, though, that you've got in this bill that we can question whether they should be included. We will get to that in a minute. However, I think you have to look at the safety, interest and welfare of a community and put it and place it where the responsibility is, and that is in the hands of its duly elected, politically accountable representatives.

1750

Conservation authorities are the next one, and I brought an expert. Of course, we have heard from the previous group on the Rideau Valley Conservation Authority. Yes, there are 41 different entities making that up, and it is cooperative, and it is better bang for the buck than you could get if the region delivered it, because it is beyond the region's boundaries, among other things. It is certainly a better buck than if you tried to deliver it out of Toronto through MNR and 17 branches of MNR, which is what you will have done if you do this. I think you've got to deal with the conservation authorities on a case-by-case basis. I'm not like the previous speaker; I do believe there are some conservation authorities that should have a lot different approach taken to them. On the other hand, this bill doesn't allow us to carry on with the particular

arrangements that we've actually made work in this region. Wendy, maybe you want to pitch in.

**Ms Wendy Stewart:** Perhaps I'll wait and see if there are any questions after.

**Mr Clark:** Okay. She didn't anticipate coming up here, and I've sandbagged her a little bit. But that's okay; I'll pay for it later.

I think the provisions permitting dissolution should be applied with care and I think the notion is that the offending partners or the municipalities involved in these CAs should have the right to retain the CA and its existing funding arrangements. That would put the responsibility, again, down at the level where you're closest to the action.

There are provisions in schedule M dealing with migration—a vote of the majority of the upper tier or a majority of the lower tier on service migration. I think it's to be commended. That way you get rid of some of this internal turf war and fighting that goes on. However, where you currently have regions where they are run by the lower tier, it's not going to achieve what you think it might; in other words, it's not a fair and equal contest in terms of the playing field.

Again, I think there's the ability of the provincial government to determine by regs which services and facilities may shift. In other words, while you say you'd like to have this service migration model, you want to also have the right to prescribe. I think that the prescribed services and facilities contemplated need a wide application, but I think it's also helpful if there's an early indication from the government as to which services and facilities you want to consider. In other words, you need to have feedback on those kinds of things before you go ahead and do them. It will reduce the need to go back and fix up the problems.

Finally—it's maybe semifinally or something like that—the creation of block funding greatly enhances the ability of municipalities to manage their own financing, given that there are fewer resources available, considerably fewer resources. It underscores the desirable trend towards greater local autonomy and responsibility. I think the change in approach is long overdue.

In addition, proposed amendments permit the minister to make regulations establishing standards for activities and requiring municipalities to comply. Here we go again: "You comply, you go out and raise the taxes, and get shot by the public. We're just going to make the rules." That's really not, as I read the intent of the government, what they've said. "We want to empower, we want to push the decision-making down." Yet in this situation I presume that the government wishes to have certain minimum things done with the money the government is sending on. I think you just ought to cut the cord, because I think eventually the government won't be providing any money, so the issue will go away by itself.

In addition, the proposed amendments permit the minister to make regs establishing standards for activities and requiring municipalities to comply. OMS grants will be tied to those standards? We have no idea what they are at this point. We have no idea what you're talking about. First off, you no longer have the money applied against roads and certain municipal operations. "Here, we give



you X dollars. You go and do the right thing with it." If the right thing for a municipality such as, I don't know, Parry Sound or North Bay, one of those, was to not plow snow, I think you'd be prescribing in a hurry what you expected to happen.

It worries me a little bit that if you're committed to set standards, then you'd better be permitted to make sure there's enough money to meet those. It may well be that you go from this nice, politically acceptable, from my point of view, block program back to prescribing because you don't like what they're doing. Just a word to the wise: Having been there before, it seems to me that you may be opening up something that you may not like having to deal with at some point.

In terms of restructuring local municipalities, Ottawa-Carleton seems to have continuing concerns. I understand earlier today you were told there hasn't been a review of Ottawa-Carleton in 20 years. That's just not true. There was the Mayo report in 1978; there was the Bartlett report; there was a committee of regional council in 1985; there was the Graham report; there was the Kirby report—reports forever. In fact, nothing but reviewing of governance in the last 20 years has taken place. There have even been amendments to governance. So don't believe everything you hear.

It has often been the position of Ottawa-Carleton in dealing with a variety of provincial and municipal issues that one size doesn't fit all. It was the position of the regional chairs, in the report Pursuit of Better Government, that one size doesn't fit all but that you ought to deliver the service in its most cost-effective manner. Of course, as the regional chair and with a small bias, I believe the most efficient and cost-effective manner is the regional level of service. Take that with the appropriate grain of salt. But that's the reality—I actually do believe that.

The recent release of the Golden report—I could have brought it with me today, but it's too heavy. That's quite a document. There have been discussions at the lower tier. Apparently the lower tier here feels it's all right for it to discuss, say, eliminating the region or whatever and going back to a committee of self-serving people, but the notion has to be what's the best bang for the buck, because we haven't got very many bucks at any level. So there is concern. The GTA report has stirred governance concerns all over the province.

For instance, in Prescott-Russell, you have 18 municipalities and 75,000 people. A lot of those municipalities aren't economically viable, and I think that in real terms it makes some sense to have some of them joint, but I believe that the decision-making on that should occur at the county level. The county should get into that, get everybody around the table and figure out what's best to serve the people of Prescott-Russell. I don't have a problem with that. I do believe, though, that the province is saying you must get on with it.

I think each region has to be considered on an individual basis so you can provide some kind of tailored analysis reflecting those decisions, and I think you should be cautious. Strong public support for major restructuring in Ottawa-Carleton right now? The public haven't been ringing the phones off the wall in my office about restruc-

turing of government. The primary concern is cost-effective delivery of service and accountability of those who are delivering it, and 18 months ago it directly elected its first council to the regional level, severed from the lower tier. At the same time, police services were devolved upward and the solid waste services, by decision of council, including the mayors, were devolved to the region. It was felt that the region-wide contracting of collection of garbage would save money, and it will.

The province added some minimal jurisdiction on economic development, but I still think there is a need to consider that further adjustment that eliminates fragmentation. Economic development in real terms, both in Metro Toronto and here, is something that suffers from the notion that if you have 11 municipalities, each one wants to fatten its tax base. Each one then is going to compete internally for economic development. This isn't good for the region, it isn't good for the province and it certainly isn't good for Canada. We're wasting a lot of money on internal stuff instead of going out and getting the bucks from somewhere else to help everybody.

#### 1800

I appreciate the underlying thrust of the bill is to provide greater flexibility. The bill contains extensive regulation-enacting authority which may be exercised at discretion, and while I endorse the concept of implementing regulations, I am concerned that the authority contained is not sufficiently categorized or defined, and I think to some extent I've seen some evidence you're already doing some of that in this process. In the absence of an indication as to how the minister will exercise regulation-making powers, it is difficult to appreciate the scope and exact impact of this bill, in particular how the bill will affect the inhabitants of Ottawa-Carleton. An early indication from the government in this regard is essential.

With regard to interest arbitration, proposals contained in schedule Q are most welcome by the publicly accountable managers of municipal corporations. The criteria that are proposed reflect today's economic realities and must be considered in any interest arbitration proceeding. It is essential that these criteria not only be considered but applied to enable municipalities to meet their service obligations in the context of fiscal reality. Although the proposals relate specifically to emergency and essential services, their application will provide long-term benefit to municipal employers and employees.

Finally, I support the changes proposed in Bill 26, schedule K, on freedom of information. This is probably the biggest single place for abuse that we've run into.

I'd like to express my appreciation for this opportunity. I think Bill 26 is a good first step. As reflected in my comments, it may require some changes; however, taking action is better than inaction. It is obvious that good faith will be required by both provincial government and the municipalities to make this legislation operate properly. However, if all levels of government are dedicated to be more effective, efficient and accountable, then this will provide a workable framework. I am hopeful that these ideas will be helpful to you.

There are a few things I might add from my notes on something that happened earlier today. Somebody says



two levels of government aren't working. It ain't true, they are. But there are certain elements of the population of politicians at the lower level that would like to, I guess, serve themselves a little better by making those kind of statements.

Frankly, we obviously have further administrative savings that could be done by rationalizing government here, but the comment that you shouldn't waste time on Tiny Town, Ontario, should be paraphrased. Don't waste your time on tiny mind, Ontario. Let's get on with fixing the problem.

**The Chair:** Thank you. We've got almost two minutes for caucus for questions or responses.

**Mr Clark:** I'm sorry I mistimed it.

**Mr Phillips:** I appreciate the submission. Earlier we heard from the mayor and I appreciate her submission. But I'm having some difficulty in knowing the message you were trying to communicate to us because in both cases, the mayor of Ottawa more than yourself, you said I think, "We support the bill," and then went on to indicate major concerns. The mayor of Ottawa had by my count eight major concerns about the bill, and I will tell you the government has no intention of accommodating most of those major concerns the mayor has.

In your particular case I think your message is, this is very important to Ottawa. But you're almost living testament to how much importance the government places on the fact that you were barely heard only at the last moment and that we will begin clause-by-clause next week. I will say to you, Mr Clark, we're going to go through A, B, C, D; we're going to go through four days before we even get to the Municipal Act and then we'll barely put any time and attention to it. I thought you've got many important suggestions in here that should be considered.

My question to you is, if you believe, as I'm sure you do because you say it, that this should be done in a constructive and supportive manner, is this any way to try and do something this substantive, dealing with you in this almost insulting way, hearing from you at 5:30 only because you put some pressure on us to hear—and I'm glad you did. But for a bill this important to you and the municipalities, is this any way to run an operation?

**Mr Clark:** I have to let you know, Gerry, that there has been, as you well might guess, staff-to-staff consultation between the Ministry of Municipal Affairs and the legal people across the province in terms of the regions. So there's been a certain element of preconsultation.

On the issue of being here today, we probably didn't ask early enough to be considered among the regular run, and it was decided—

*Interjection.*

**Mr Clark:** No, we didn't put our name in early enough.

**Mr Phillips:** Should you have to, though?

**Mr Clark:** Should I have to if I wish to meet a committee? I think it's due process. I don't feel it's insulting. I think I've been accommodated and I thank you for that, and including David, even though I must admit I let a little rhetoric get out of hand. Tony, I'll apologize for that. I'll at least take it to him.

**Mr Silipo:** If that's an apology—

**Mr Clark:** I certainly apologize.

**The Chair:** With that, we're into Mr Silipo's time.

**Mr Phillips:** The answer; give me an answer.

**Mr Clark:** The answer is, I don't feel I've been insulted. I think what we've tried to say is that, while you're doing this and all the things you're going to do in regs, get those regs out, get feedback on the regs before you start trying to implement them.

**Mr Phillips:** That ain't going to happen.

**Mr Clark:** It may or may not. I'm not sure it happened in any other previous government either, but I think it's—

**Mr Gerretsen:** That's the point.

**Mr Clark:** No, that isn't the only point.

**The Chair:** Mr Clark, I must apologize. We're into Mr Silipo's time. I have to let him—

**Mr Silipo:** Actually, I just want to really ask one question, because I think your presentation is clear as it is in terms of your general support for what the government is doing, with some concerns as you've outlined. But I continue to be puzzled about one thing. I ask this not so much in terms of your own position, although obviously I want to hear that, but just in terms of your sense from your colleagues across the province.

I recall the days when I was part of a government that made small reductions to grants to municipalities, 1% or 2% cuts, and the kind of outcry we heard in those days, which were not that long ago. I don't remember hearing a great deal from municipal leaders about the need to restructure, the need to cut, the need for acceptance of those cuts. I have a little bit of trouble meshing the reaction that we got from municipal leaders at that time with the kind of reaction there is now to 40% cuts, 45% cuts, 20% cuts.

While I'm not saying that people are happy about the cuts that are happening now, on a relative scale I would imagine that there ought to be a hell of a lot more outcry than we're hearing. Why aren't we hearing it?

**Mr Clark:** I can partially tell you that this government hasn't told me what to cut, who to hire, who not to hire, all that other stuff that was tied in with the other one. In other words, there was far more interference with our business. I told the Premier at the time, "Tell us how much money you want, don't tell us how to get the money, how to deal with the problem." It was the way it was done. It was the issue that: "Well, it's a social contract. We'll make everybody a union employee across the province."

**Mr Silipo:** That's not the social contract. Come on.

**Mr Clark:** Well, put it this way: Union and non-union employees across this province were told that they were going to be dealt with in a central, prescriptive manner and that they were going to take days off or pay cuts, whether I could have found the money any other way or not.

That was a significant irritant in that whole process. All of a sudden the management of this municipality, which I ran an election for and received a mandate to manage, you were getting into the business of trying to manage the municipalities from Queen's Park. I think it's inappropriate. I thought it was inappropriate then and I said so.

**The Chair:** I'm sorry to wade in again. We have to go to Mr Hardeman now.



**Mr Hardeman:** Just a quick comment on the last question: I was involved in municipal government for 15 years, in fact even had the opportunity of being a member of the regional chairs for three of those years. I can remember many times saying that there was a correlation between local autonomy and provincial funding. That's what this bill, at least in my opinion, proposes for municipalities.

If I could just quickly ask you, Mr Clark, on that issue, we had a presentation from the city of Ottawa and the city of Nepean this afternoon. Both indicated that they would like to see the regions being included in the restructuring portion of the bill. Not that it would necessarily happen, but they thought that the ability to do that and the process should be made available to all of Ontario. From your presentation you suggested it's not needed, but do you see any problem with its being there so it could be utilized by the people in Ottawa-Carleton?

**Mr Clark:** In Ottawa-Carleton, though, it wouldn't matter, because you have separate levels of government, and therefore it would require a majority of regional council to move a service up or down, it would require a majority of local municipalities. If they want to do something that one or the other doesn't want to do, then it won't happen.

But in the other ones where you have double direct elected and you have the region as hostage to the lower tiers and the financial decision-making based on, "How much of our wish list can we get in there?" and it's not accountable to the people in my view—the county is not accountable to the people, and the regions that don't have direct election aren't accountable to the people either. That's why doing it for the regional level wouldn't make any sense to me.

**The Chair:** Thank you for your time. I want to thank you for coming forward and making your presentation this evening to the committee.

**Mr Clark:** Thank you, and I hope that at the end of this the synthesis of all this provides an improvement to the legislation.

**The Chair:** Just a couple of quick notes: The first one is that the researcher has passed out summaries of deputations up until last Friday. I want to thank him for that.

Carleton Bus Lines will meet those who are travelling on the bus out front in one half-hour.

**Mr Phillips:** I recall before Christmas there was a discussion with, I think it was the subcommittee if my mind reminds me properly. I think there was an agreement that the appropriate cabinet ministers would present amendments on Monday. I raise that now just because I think we should give the maximum notice to whoever is in charge, whoever's listening over there. My memory tells me it was perhaps a subcommittee with Mr Clement that undertook that, but I wonder if the government member might check that out for us.

**The Chair:** Since it was to your best recollection something that happened in the subcommittee, perhaps we can discuss that further tonight when we're having a short subcommittee meeting, when we get into Kingston.

**Mr Sampson:** I think Mr Phillips was referring to the subcommittee of the whole, if I can use that phrase.

**The Chair:** Can we talk to Mr Clement about this?

**Mr Sampson:** And I will endeavour to get in touch with our side of that committee. I'll talk to my people and we'll try to get some indication of what was decided at that meeting.

**The Chair:** Thank you very much. We are adjourned until tomorrow morning at 9 am.

*The subcommittee adjourned at 1813.*















## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

\*Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

**Substitutions present / Membres remplaçants présents:**

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

Stewart, R. Gary (Peterborough PC) for Mr Tascona

**Also taking part / Autre participants et participantes:**

Chiarelli, Robert (Ottawa West / -Ouest L)

Christopherson, David (Hamilton Centre / -Centre ND)

Lalonde, Jean-Marc (Prescott and Russell / Prescott et Russell L)

McGuinty, Dalton (Ottawa South / -Sud L)

Morin, Gilles E. (Carleton East / -Est L)

Patten, Richard (Ottawa Centre / -Centre L)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Thursday 18 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i> . . . . .</b>	<b>GS-809</b>
Social Assistance Recipients' Council . . . . .	GS-812
Linda Lalonde, policy consultant	
Deborah Andrews, advocacy counsellor	
Child Care Action Network of Ottawa-Carleton . . . . .	GS-816
Anne-Marie René de Cotret, spokesperson	
Mary-Lou James, spokesperson	
Nancy Campbell, member, CUPE Local 2204, member organization	
Cynthia Magloughlin, member, steering committee	
Ottawa-Carleton Board of Trade . . . . .	GS-820
Howard Williamson, chairman	
Willy Bagnell, president	
Ontario Restaurant Association . . . . .	GS-824
Paul Oliver, president	
Phil Wasserman, immediate past chair	
Ken Rubin . . . . .	GS-828
Craig McNaughton . . . . .	GS-832
Eastern Ontario Wardens' Conference . . . . .	GS-835
Frances Smith, representative	
Older Women's Network . . . . .	GS-840
Connie Delahanty, representative	
National Action Committee on the Status of Women . . . . .	GS-843
Anne Marie Delorey, eastern Ontario regional representative on executive committee	
Susan Genge, vice-president	
Graham Corke . . . . .	GS-847
Ottawa Professional Fire Fighters Association . . . . .	GS-852
Bill Cole, president	
City of Ottawa; City of Nepean . . . . .	GS-856
Jacquelin Holzman, mayor of Ottawa	
Ben Franklin, mayor of Nepean	
Ottawa-Carleton Headstart Association for Preschools; Children's Aid Society of Ottawa-Carleton . . .	GS-861
Cathy Murphy, president, Ottawa-Carleton Headstart Association for Preschools	
Laurie Brunet, community liaison, Ottawa-Carleton Headstart Association for Preschools	
Frank Martin, president, CAS of Ottawa-Carleton	
Mel Gill, CEO, CAS of Ottawa-Carleton	
Caroline Andrew . . . . .	GS-865
Big Rideau Lake Association . . . . .	GS-869
Julia Sneyd, past director	
Robert Sneyd, director	
John Peart, director	
Regional municipality of Ottawa-Carleton . . . . .	GS-872
Peter Clark, regional chair	
Wendy Stewart, regional councillor	



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of Ontario**

First Session, 36th Parliament

**Assemblée législative  
de l'Ontario**

Première session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Friday 19 January 1996

**Journal  
des débats  
(Hansard)**

Vendredi 19 janvier 1996

**Evidence subcommittee  
Standing committee on  
general government**

**Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales**

**Savings and Restructuring Act, 1995**

**Loi de 1995 sur les économies  
et la restructuration**

**Non-health-related issues**

**Questions non reliées à la santé**

Chair: Bart Maves  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Evidence subcommittee

Friday 19 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Vendredi 19 janvier 1996

*The subcommittee met at 0856 in the City Hall, Kingston.*

## SAVINGS AND RESTRUCTURING ACT, 1995

LOI DE 1995 SUR LES ÉCONOMIES  
ET LA RESTRUCTURATION

Consideration of Bill 26, An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda / Projet de loi 26, Loi visant à réaliser des économies budgétaires et à favoriser la prospérité économique par la restructuration, la rationalisation et l'efficacité du secteur public et visant à mettre en oeuvre d'autres aspects du programme économique du gouvernement.

**The Chair (Mr Bart Maves):** Good morning, ladies and gentlemen. Welcome, committee members, to Kingston. We have before us from the city of Kingston Mayor Gary Bennett. Mr Bennett, I hope you'll just bear with us for one moment. We have a motion we've got to put forward and have a discussion on that will be moved by Mr Gerretsen.

**Mr John Gerretsen (Kingston and The Islands):** I have a motion that reads as follows:

Whereas Bill 26 will have a major impact on every individual in Ontario; and

Whereas Bill 26 requires broad public input before being passed into law; and

Whereas nearly 60 groups and individuals in Kingston want to provide input into the bill, but only 16 will be heard between this hearing and the hearing that was held last week; and

Whereas the community of Kingston only has two half-days of hearings;

I move that when the House returns on January 29, the order with respect to Bill 26 be amended such that the portions of the bill that do not require urgent passage for fiscal reasons be returned to the standing committee on general government so that further hearings can be arranged across the province, including the community of Kingston.

**The Chair:** Speak to the motion, Mr Gerretsen.

**Mr Gerretsen:** I'd just like to take a few minutes. As I indicated, there are over 60 groups. Just to give you an indication of some of the groups that want to speak here and have not been able to get on the docket, they include organizations such as the Kingston Transit Advisory Committee, the Kingston Friends of Public Libraries, the field naturalists, the Cataraqui Conservation Authority,

the Kingston PUC, the Queen's graduate society, OPSEU Local 431, CUPE, OSSTF District 21, from Cornwall.

I might note that last week as well, we had a parallel hearing on Friday afternoon at which time we heard from people such as Richard Tindal, a well-known expert on local government issues; CUPE Local 1974; the Kingston General Hospital; Kaye Healey Homes, Elizabeth Fry Homes, etc. I could go on and on.

What the process has really proven more than anything else is that the people of Ontario and the people of this area want to have input into the process. Although there are some select few who have been chosen by each side of the committee to make a presentation, it seems to me that if you're going to have real consultation with the people, then you want to hear from all of those people who want to make a presentation.

I know this motion hasn't gone very well in the last week or so, but I do urge the members of the government, who are all hardworking, dedicated individuals, to do the right thing on this last day of hearings and vote in favour of this. All they have to do is say to their House leader: "Look, there's been an awful lot of controversy about this bill. There are about 45 different acts that are involved, about 20 major changes to the acts. Why don't we hold up meeting as a Parliament until the end of February and have three or four more weeks of public hearings across the province, including in this area, so that all those people who want to speak about the issues that have been raised in this huge bill, which covers over 200 pages and more acts than have ever been changed at one time in the province before, will have an opportunity to speak?"

Do the right thing, gentlemen, and vote in favour of this motion.

**Mr Tony Silipo (Dovercourt):** I'm glad to speak in support of this motion. I want to say to the members on the government side that, being the eternal optimist that I am, we're looking for that fourth vote today that will get us beyond the 4-3 vote that we've seen every other day that this motion has been presented by either a Liberal member or an NDP member of this committee.

We presented this motion, and the one that I'll be presenting afterwards, because we believe that it is crucial, particularly on a bill like this, that adequate time be given for people to be heard. There are in this case, as there have been in every other community, far more people who want to speak to this bill than are able to speak because of the limited number of spaces that are available for us here this morning.



Mr Gerretsen has mentioned a number of groups. I would add at least one more, the Justice and Peace Commission of the Roman Catholic Archdiocese of Kingston, which was not able to speak to us today and won't be able to speak to us today.

Each of these groups has been pointing out to us in various other communities that we've attended—and certainly, looking at the list today, I'm sure the same will be the case here today in Kingston—many of the flaws that exist in Bill 26. Even those people who have come to speak in favour have pointed out a number of areas that they themselves would also like to see further study on and further work done on.

The basic bottom line is that this bill changes fundamentally the province of Ontario as we know it today. It is a major tool in the Tory government's agenda to dismantle basic services in this province, to take away pension rights from public servants, to take away pay equity for the least-paid women in the province, to put in by the back door wage controls through direction to arbitrators, and many other changes that fundamentally alter the basic structure of the province as we know it.

It is an affront to the dignity and fairness that any individual would have towards any other individual in this province, particularly coming from any legislators, that this would be done with the kind of limited discussion there has been, and even that limited discussion has taken place only because of the actions that the NDP and the Liberals took in the Legislature back in December. Otherwise, we would not be here in Kingston today to hear even in a limited way what the people of Kingston have to say.

So we feel it's incumbent upon the government members to recognize that more time is required. While a few parts of this bill can be passed on January 29, we believe that most of this bill needs a lot of further discussion, and certainly what people have been telling us so far supports that wholeheartedly. We hope that the members of the committee on the government side are finally understanding that reality.

**Mr Rob Sampson (Mississauga West):** It's always a pleasure to come back to my home town, Kingston. Before I proceed, I want to establish a few facts so that the people of Kingston can understand the processes that are involved here.

First of all, the committee time that's been allocated to this particular piece of legislation, the actual time we'll be sitting, hearing deputations from the public, reviewing the document, the legislation, under clause-by-clause review, is more committee time than any other piece of legislation in the past 10 years for the Parliament of Ontario. Yes, it reflects the fact that this piece of legislation is indeed sizeable, but it reflects our commitment to hear from the public.

We've heard indications that, "Well, you wouldn't have been here unless we had staged this event in the Legislature in December." The fact of the matter is, when committee time is established to review legislation, there's always some to-ing and fro-ing between the House leaders and various offers for committee time are on the table and off the table. In fact, one of the offers that was on the table by our House leader at one point in

time, rejected by the two parties, was to actually have a longer time. We were going to have the same amount of committee time in Toronto, two weeks on the road starting January 2, a layover week, which would have allowed us a week of time to consider the thoughts and the recommendations of the people we had heard and we would have had reviews and written submissions, and then clause-by-clause review. That was indeed an offer that was on the table and was rejected. But we are here today. We are listening. We are prepared to receive written submissions.

We, by the way, are not the side of the table that determines who gets on or off the list. The schedule is determined by all the parties. Procedure was established with the consent of all the parties at the beginning of these hearings to determine, frankly, how people would get on the list and who wouldn't get on the list. Those procedures are being followed. We are not controlling who's on or off the list, contrary to some of the beliefs that people might want you to believe.

As I said earlier, we are listening, we have heard a number of deputants so far—I don't know what the total is now—178 so far in written submissions and hearings that we've heard. We are prepared to review written submissions. We will give them consideration.

Mr Chairman, we will not be supporting this particular motion.

**The Chair:** Thank you, Mr Sampson. Before I put the motion, I would like to welcome today Mr Sergio from Yorkview, Mr Cleary from Cornwall and Mr Rollins from Quinte. Voting members today are Mr Silipo, Mr Gerretsen, Mr Phillips, Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young.

All those in favour of the motion on a recorded vote?

#### Ayes

Gerretsen, Phillips, Silipo.

#### Nays

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

You have a motion to move, Mr Silipo.

**Mr Silipo:** Whereas this is the final day remaining for public scrutiny on Bill 26; and

Whereas public interest in this bill has been overwhelming; and

Whereas the vast majority of presenters to the standing committee on general government have recommended that major changes be made to the bill; and

Whereas only a few amendments have been tabled to date by the government;

I move that this committee recommend to the government House leader that the 55 individuals and groups that requested to appear before the standing committee on general government in Kingston be given the opportunity today to see all of the government amendments to Bill 26.

**The Chair:** Mr Silipo, speak to the motion, please.

**Mr Silipo:** Briefly, this is another aspect of the points we were discussing on the previous motion. We know there have been a number of suggested changes, not only



for withdrawing the bill but even in terms of making some substantive changes to this bill, from many pres-enters. We presume that if the government is true to its word, that it has been listening, that in fact there are amendments it is prepared to make.

Yesterday for the first time, after calling on the government for the last week at least and longer, we heard and saw some amendments that were tabled. We saw them yesterday, even though some of these are ones that we received indication from ministers earlier that, in fact, they were looking at, and we know that in fact there were discussions last week, if not before, at cabinet that presumably passed these amendments.

We saw yesterday some amendments presented that clarify or restrict the rights of municipalities to levy taxes, which is certainly one of the major areas that people have been very concerned about. Interestingly enough, the Minister of Municipal Affairs and Housing, when he first presented the bill, kept saying that the legislation did not allow municipalities to do these things, did not allow the municipalities to, for example, impose an income tax, a sales tax, a gas tax, a poll tax. Well, lo and behold, now they've finally come around to realizing that it does and have put in front of us amendments that say municipalities can't do those things, although I still contend that the question of the gas tax has not been clarified sufficiently in this. But I take it that the intent of the government is in fact to be sure that a gas tax will not be able to be applied by municipalities.

0910

There are other amendments that have been put before us, but the point is this: First of all, it took the government up until the second-last day of hearings to give us any public indication of what those amendments would be. They will say, of course, that they needed to wait until the hearings were over, or almost over, because they wanted to hear from people, and I think there's some truth in that. But the reality also is that they're the ones that claimed when they wanted to pass this bill before Christmas, which was their original intent—let nobody be misled by anything else they hear; that was the original intent of the government, to pass this bill, with no public hearings, before Christmas—at that time they indicated that they had some amendments they were going to make. So even then they knew what amendments they wanted to make to this draconian bill, to this poorly drafted bill, to this hastily drafted bill, and they did not have the decency to tell us until yesterday what even some of those amendments are.

We can only hope that there are many more amendments to come, and we think it's incumbent upon the members of the government who are sitting here on this committee—obviously, we know they're only the spokes-people for the government, but they're the ones that are carrying this bill on behalf of the government in this committee—to give the people of Kingston here today a clear indication of the range of amendments that they're prepared to put in front of the committee; if they do that, then perhaps, depending on what those things say, some of the concerns will be allayed.

We know, for example, that the concerns the firefighters have been putting before us will not be allayed by

any of the amendments that have been presented so far. I could go down the list. We know that the issues of pay equity have not been addressed so far. There is a removal in this bill of pay equity rights for 100,000 of the poorest-paid women in the province. The removal of pension rights in this bill has not been addressed by any of the amendments.

I would like to know, and I think the people of Kingston would like to know, is the government intending to make any changes to those sections? I think it's incumbent, for the discussion that we're going to have this morning to ensue in its fullest form, for people to know what it is they are dealing with in terms of the amendments. Are there going to be more amendments, or is what the government tabled yesterday the full extent of the changes that it wants to make?

**Mr Sampson:** That's right, yesterday we did table eight amendments, certainly a number of them reflecting clarification of the items and the issues around the ability to apply user fees by the various municipalities as proposed by the legislation and some reflecting, frankly, a theme that was consistent throughout the hearings so far. We are still listening, and I expect, frankly, that we'll be able to table further amendments before the day is out. I don't know that it's going to happen in the city of Kingston today. But, frankly, there are some items that will reflect discussions and deputations to us as recently as of yesterday that have encouraged us to take a look at aspects of the bill and come forward with some changes.

So before Mr Phillips has a chance to read the Toronto Star, I'll tell him that I understand the health side is going to be tabling some amendments throughout the day today as well. I just wanted to clarify that. We are a separate committee, and they will be tabled when we are prepared to table them.

**Mr Gerry Phillips (Scarborough-Agincourt):** Well, I would just say to the public here in Kingston that the government will vote against this motion, and it's part of the whole sorry process of this bill. They will thumb their nose at the public again today.

This bill was introduced when virtually all of us were in what's called a lockup, hearing the details of the fiscal statement. It was done deliberately. At 3:30 this was tabled in the House when we were in a lockup and could not leave the lockup until 4. Why was it done that way? Because the government tried to force this thing through before there was any legitimate debate. They wanted this bill passed in two weeks, by December 14.

Most of you people in this room have studied this bill and you know that it touches every single person in this room in a very significant way. So they tried to thumb their nose at you by trying to ram this through by December 14. Then, as pressure began to build, they said, "Oh, no, no, no, we'll have some hearings," till midnight, before Christmas, in Toronto—not in Kingston. We would never have been here. It took some extraordinary measures by the opposition to force them. Even then, they tried to force public hearings the first week in January, right after New Year's, hoping you wouldn't have time to prepare for this.

I would say to the government members, the minister, Al Leach, five minutes into the hearings, on December



18, said he had amendments. We said: "Table them. Tell the people what they are." He refused to do it. Do you know why? Because he doesn't want people like the mayor of Kingston to know what they really intend in the bill.

They had an embarrassment yesterday. The warden of Frontenac county, Warden Smith, was before our committee at 1 o'clock, raising some significant concerns about the bill, a well-researched brief. They were due to table an amendment at 1 o'clock. They didn't table that amendment until 2, until the warden had left, because the amendment didn't do what the warden thought should be done. They didn't want the warden to see that. It's on the whole issue of restructuring. So when the warden had left the room, they tabled the amendment. As I say, it's part of this sorry process. They're thumbing their nose at everybody, they think they can ram this thing through with no legitimate debate.

I guarantee you, they've got amendments in those briefcases over there; they're filled with amendments. I think there'll be 100 amendments before we're through and they all know the amendments right now. Do you know why we're not seeing the amendments today? We will see them in Peterborough. We won't see them here. They've got them there, but they won't table them here. Probably because, Mr Mayor, you may not be totally happy with the amendments.

I don't know. I don't know what your brief is, but I suspect, knowing the history of the mayors of Kingston, you have studied this bill well and probably have some constructive recommendations for us. But they will not table the amendments. They'll try to sneak them through, perhaps at 5 o'clock today in Peterborough, hoping no one will pay any attention.

We had the sight yesterday of the mayor of Ottawa supporting the bill, but expressing eight major concerns about the bill and saying, "I'm sure there'll be amendments." Well, there won't be amendments to accommodate the mayor's concerns. I know that, because the government has made it very clear in these hearings they're not going to amend it.

So we have this process and I guarantee you, there's never been a bill like this. Here we are, discussing major amendments to our police, our firefighters, to municipal restructuring in every way, to fees, to licensing, to pay equity, to the pensions, to the Mining Act, to natural resources, to all of our health system—and it was just a week ago today, I think, John, that the committee was here.

They won't table the amendments because this is the bully bill, and the bully bill has virtually no friends right now. It has the odd friend because some people think they're going to accommodate their concerns. Well, when this bully bill finally passes, it will have no friends because it is designed to implement the agenda of them and frankly, that's not the agenda that I think the people of Ontario want.

When they got elected I thought they were merely mean-spirited, but this whole process has taught me they're not only mean-spirited; I think they're incompetent because 100 amendments to this bill—

0920

*Interruption.*

**The Chair:** Order, please, ladies and gentlemen. We have limited time to hear speakers today.

**Mr Phillips:** So probably about next Wednesday or Thursday we will finally get to debate the municipal portions of this bill, and it will be part of this sorry process—no amendments, a bully bill that offends the decent people of this province. I think it will show finally the true face—the cold, hard face—of the Conservative Party.

I and my party will of course be supporting the motion. I'm afraid that the government members will follow the same process they followed in every single city and thumb their nose again at the public.

**Mr Silipo:** A recorded vote.

**Ayes**

Gerretsen, Phillips, Silipo.

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

#### CITY OF KINGSTON

**The Chair:** Welcome, Mayor Bennett. You have half an hour this morning to make your presentation. You may use that time as you see fit. You may want to leave some time at the end of your presentation to entertain response and questions from the three caucuses. I'd appreciate it if at the beginning of your presentation you introduced yourself and those at the table with you for the benefit of committee members and Hansard.

**Mr Gary Bennett:** Good morning. I'm pleased to have with me Councillor Joe Hawkins and Councillor Carol Allison-Burra, along with Mr Rick Fiebig, the city treasurer. I appreciate the opportunity of being here and I know the citizens of Kingston will give you, as always, a warm welcome.

Mr Chairman, honourable members, ladies and gentlemen, I would like to thank the committee for this opportunity for the city of Kingston to share its concerns and support, where it makes good business sense for the community, of the provisions provided for in Bill 26. At this point, I would like to make it clear to the committee that my remarks may not be supported in whole by the members of the city council and that one of the strengths of local government is that there is a wide diversity of opinion and beliefs on our council that reflects the interests of the community. This morning we intend to divide our presentation into three sections. Those are the financial impact of the social contract and the Harris government cuts; comments on sections M and Q of the proposed legislation as they affect the city of Kingston; and questions that we believe require further clarification.

Before addressing those three points, the city of Kingston would like to make it clear that we believe this bill should have been split into more manageable sections and the public given more opportunity for consultation. I am taking this opportunity to table the city of Kingston's public consultation policy, which is included in your



brief, schedule A, which, had it been followed by the province, might have avoided the procedural debates that are being held and allowed us all to concentrate on the impact and the implementation of the proposed changes rather than on procedure and process.

We are pleased that the Deputy Minister of Municipal Affairs and the assistant deputy minister met with myself, our chief administrative officer and the treasurer to seek suggestions on amendments to the Municipal Act and other relevant acts prior to the tabling of Bill 26. The key areas of consultation were in the areas of the elimination of special-purpose bodies, additional revenue opportunities, binding arbitration, restructuring and amalgamation.

This morning, what I'd like to do is just go through a variety of slides that we've provided for you. However, if you're wondering why people are so animated when you come to Kingston, perhaps the following slides will provide you with part of the answer.

Slide number 1, which is included in your brief, is an indication of where the city of Kingston's operating revenues come from. With nearly half of its \$100-million budget coming from the senior levels of government, the large reduction in transfers has placed the city of Kingston in a very vulnerable position financially.

Slide number 2—and this is a very interesting one for a lot of people—indicates not only that the city of Kingston as a corporation is in a vulnerable position, but also that the community is particularly susceptible to government cutbacks. Presently, 55% of the local workforce is employed by governmental organizations; it's the highest in the province and it is even higher than our nation's capital.

Slide number 3 speaks to our operating revenues. It is not surprising that the largest expenditure class is for the wage and benefit costs of municipal employees. However, what's equally or more surprising is to learn that 31% of the city's expenditures go towards welfare assistance, with nearly 20% of the population in our community receiving either municipal or provincial assistance.

Slide number 4: Over the last six years welfare expenditures in our community have increased from \$5 million to over \$30 million. In 1996 there will be a decrease in the amounts paid, as a result of the reduction in rates approved by the provincial government as of October 1, 1995. Unfortunately, the subsidy rates for reimbursing the city for expenditures have been reduced, with the result that this reduction will actually result in the cost to the local taxpayers in the city of Kingston to be increased by over \$1 million. Some communities—in fact, the majority of communities—in Ontario were winners as a result of the reductions in the remuneration levels. The city of Kingston was one of the losers.

The final slide relates to the issue of unconditional grants. A major source of funding for the city over the years has been the unconditional grant program. Unconditional grants can be used for any municipal purpose, such as capital projects, operations or holding the line on taxes. The city of Kingston has historically had a significant level of unconditional funding due to the fact that it is an assessment-poor municipality compared to the provincial average. This stems from the fact that the city of Kingston contains so much property that is not subject

to local taxation. For every dollar of taxable assessment, there is 50 cents that is not subject to tax. That's the highest in the province. In 1993, the implementation of the social contract reduced these grants by 25%, or approximately \$2 million. These grants will be reduced by 35% in 1996, and we accept the fact that they will probably decline to zero by the end of this decade.

We would like to make it clear that the proposed revenue opportunities in Bill 26 in no way compensate the city for the loss of revenue as a result of the reduction in grants. Many individuals see the city in terms of hard infrastructure, but I remind committee members that soft services such as day care require adequate attention, and the current speed of change requires short-term decision-making for what are essentially long-term issues, with no guarantee that our short-term solutions will ameliorate the long-term problem.

I'd like to now refer to schedule M of Bill 26. We've provided our recommendations in bold type for ease of reading for the committee members. The city of Kingston, with its municipal neighbours—Kingston township, Pittsburgh township, Ernestown township, Lennox and Addington county, and Frontenac county—has engaged in a process over the past six months of attempting to restructure governments in the greater Kingston area. This exercise was triggered by a number of factors that are set out in schedule B to our brief, entitled Position Paper by the Corporation of the City of Kingston on Municipal Reform in the Kingston Area, and we're pleased to add that to our brief here this morning.

In many respects, as our brief indicates, the city of Kingston and the greater Kingston area are dealing with many of the problems experienced by the greater Toronto area. It is essential that a more efficient, timely and economical method of dealing with municipal restructuring be legislated, and it appears that Bill 26 is a sincere attempt at providing local municipalities with a way of dealing with restructuring.

The other point that is clearly made in our brief is that the most important decisions about local government reforms in Canada have been made by provincial governments. We would like to take this opportunity to remind this provincial government that Kingston city council passed a resolution on August 8 of last year requesting the appointment of an independent commission to examine, evaluate and make recommendations with respect to the most suitable municipal structure for the greater Kingston area. Kingston city council continues to take the position that if local negotiations fail—but we do have tremendous confidence in the process—the province is in the best practical and legal position to examine and implement, after due consultation, a more efficient and effective government structure for the greater Kingston area.

We are concerned with the definition provisions of subsection 25.2(1). This section needs clarification. As you are aware, greater Kingston's urban envelope encompasses municipalities in two counties, and we want to make certain that either clause 25.2(1)(a) or 25.2(1)(c) allows for the majority of communities with the majority of population to require the minister to add that urban



form to any restructuring proposal, in order to have a contiguous urban form.

Our recommendation is that section 25.2 provide for restructuring across county boundaries. Traditionally and historically in Ontario, when restructuring has occurred at the local level, we've taken the model of the county as somehow sacrosanct and it can't be changed. We've seen that all through the regional government reforms in the early 1960s and the 1970s. I think that needs to be rethought.

Next, we are concerned with clause 25.2(9)(b) as it reads, and we have provided that part of the bill. It is our understanding that a triple majority rule is being considered by cabinet as a method of satisfying these sections. We understand that the triple majority rule would apply where two or more municipalities within two or more counties are attempting to arrive at a restructuring proposal rather than requesting a commission or proceeding under the existing Boundaries Act provisions.

If the regulations state that the majority of the counties and the majority of the municipal councils within the counties representing the majority of the population—and I apologize for the explanation, but it is complicated—would all have to agree to the proposal, then quite frankly this formula has the potential, if not the certainty, of reinforcing the status quo, which is not acceptable to the majority of ratepayers in the greater Kingston area.

#### 0930

Let me make our point more clearly: The township of Ernestown is clearly within the greater Kingston area urban envelope. It partakes in all kinds of joint services with Frontenac county organizations, benefits from the Kingston Area Economic Development Commission, and yet all assessment growth and a disproportionate share of the joint services savings accrue to Lennox and Addington county. Under the proposed triple majority rule, with the two counties being involved, it is assumed that both county councils would have to approve a proposed restructuring involving Ernestown township, as well as the majority of the 16 municipalities in Lennox and Addington county, the majority of the 15 municipalities in Frontenac county—and at this point we are unclear as to whether the city is equivalent to a county or equivalent to a municipality within a county. We require clarification if the restructuring efforts currently under way in the greater Kingston area are to be successful.

It would therefore appear that those communities supporting the restructuring in each county within this region and the city would have to have the majority of the population in the three municipalities, that being the two counties and the city. Our initial reaction is that such a rule is unconstitutional in that municipalities within an upper tier, such as a country structure, effectively have two or perhaps three votes to the one held by the city.

Our recommendation under this is that a simple majority rule be put in place wherein the majority of the local municipalities with the majority of the population within the communities directly affected by the restructuring must support the proposal or that in such a circumstance where consensus is not attainable the minister appoint a commission to design the most efficient municipal organization to service the locality.

This leads to a further need to clarify the definition of "locality" under section 25.2 of the draft bill. Under the "Proposal to restructure" provisions of the bill, subsection 25.2(2) stipulates that a submission to the minister must indicate that the proposal has the prescribed degree of support of the prescribed municipalities and local bodies in the locality.

Our recommendation is that in order to ensure that the intent incorporates directly affected contiguous urban areas, "locality" be defined to include at least those municipalities and local bodies within a census agglomeration, where one exists. It is felt that this would ensure that the interests of the larger community are considered in cases where they are artificially split by county boundaries.

Next, we are concerned with the provisions and the impact of section 83.1, which is entitled "Information re: municipal operations." This section enables the minister to obtain benchmarking information on efficiency and effectiveness from all municipalities, with the costs being borne by the municipalities. We applaud the concept of benchmarking, but our concern is that huge investments of time and money will be required to gather and process the appropriate information and then pay to have the results audited.

Subsection (4) provides for the audit of such information, and we assume that this is at an additional cost to the local municipality. Most municipalities do not currently use activity-based accounting or have job-costing and time-and-materials-costing management information systems. To bring software and training up to an acceptable and competent level, as well as having sufficient staff to enter the data with existing systems, will require a huge investment and may not represent a good investment of taxpayers' dollars. If the game is to force contracting out, just say it.

There appears to be no provision for consultation with municipalities in terms of developing the benchmarks. This is unacceptable and the bill must be amended to provide for such consultation. Our recommendation is that the bill be amended to require the minister to consult with the local municipalities and the public in order to develop the list of areas to be benchmarked and the manner in which a uniform, province-wide approach can be adopted and developed.

We're also concerned with the section of Bill 26 entitled "Ontario Unconditional Support Grants Act" and its impact on local autonomy. Subsections 31.3(1)(a) and (b) will force municipalities into a situation where they would have to contract out in spite of collective agreements. This concern is based on a reading of section 83.1, the municipal operations section, sections 31.3(1)(a) and (b).

Let me sketch a scenario for you. The minister is proposing to establish benchmarks at this point with no requirement for consultation with municipalities. In a separate section of the act, the minister is provided with the power to use those benchmark numbers to establish service levels or standards for activities. If these standards are not met, the following sections allow the minister to reduce the grants to a municipality by an amount which appears to be equivalent to the level at



which a municipality fails to comply with the standard established. In effect, the minister now has the power to set service standards for local municipalities or reduce grants. So much for local autonomy.

We are proud of the teamwork between the Canadian Union of Public Employees, Local 109, and the management and council of the city of Kingston in establishing a task-force-based system for garbage and recycling which has dramatically reduced costs while improving efficiency. We have one employee on a refuse truck while many of Ontario's municipalities have either two or three. We are currently working with CUPE to further increase our efficiency in this area.

If as a result of benchmarking, the minister determines that the Kingston method of operation is the most efficient, the minister may require other municipalities to achieve the same standard in spite of whatever collective agreements they might have or risk losing part of their grants. On the other hand, should the minister decide that the benchmark can only be made through private sector contracting out, then the city, which entered into its collective agreements and is bound by their provisions and successor rights, is not in a position, even assuming council agreed to it, to contract out. We are caught between a rock and a hard place; that is, between our collective agreements and ministerial discretion.

We are confident the minister does not want to set local service standards. Our recommendation under this section is that the bill be amended to clarify the role of the minister and reaffirm the role of local municipalities in setting service levels.

The next section refers to boards and commissions. It's a very important part of this bill.

Ontario has always possessed innumerable boards and commissions separate from municipal government. The creation of some of these public bodies actually predates today's federal and provincial governments. Unfortunately, by their very nature, many of the current boards and commissions have become municipal enclaves, insulated from direct municipal council control.

This has resulted in a fragmentation of municipal autonomy and responsibility. It becomes difficult for all but students of local government to determine direct responsibility for public decisions when decision-making authority is dispersed among a diverse variety of public boards and commissions. There are approximately 800 municipal governments in Ontario, but depending on one's definition, there are over 2,000 special boards and commissions. The confusion in the mind of the electorate is understandable and it must be eliminated.

Historically, it may be possible to hold municipal governments partially responsible for the proliferation of many of these bodies. Faced with difficult and delicate matters, it became convenient to delegate the decision-making powers to separate, less political bodies. However, it is a widely shared opinion that local priorities and issues are better dealt with and assessed at the local council level with the accompanying local perspective. Municipal governments must be given the authority and the power to act independent of the countless boards and commissions that currently inhabit the local political landscape.

It is often argued that once a function is placed under a special board, it receives the individual attention of the members of that board and thus receives the benefits of specialization. Regrettably, specialization has the potential to breed isolation and biased self-interest. Today, local government must view the community as a whole, as a system of interrelated economic and social functions. Special-purpose bodies often lack the wider community perspective necessary to make balanced and efficient decisions. The result is a variety of separate governments, all competing with one another and claiming to represent the interests and needs of the same citizenry while diffusing the most efficient utilization of community resources.

Another of the oft-promoted benefits of local boards is that they relieve municipal councils of the responsibility and administration for many lesser matters. It needs to be strongly stated that it is an illusion to think that the creation of an independent board or commission somehow relieves a local council of an administrative burden. There can be more effort expended attempting to control, integrate and coordinate the numerous functions and activities of independent boards and commissions. The result can often include inefficiencies of scale, duplication of staff and equipment, and an inherent inability to establish true community priorities.

The provincial government must realize that this fragmentation of a municipal government structure is most extensive in Ontario in comparison to all other provinces. There are extremely few, if any, public services that cannot be performed as effectively by committees of council or regular administrative departments of municipal government. If this were not the case, then virtually every municipal department would be equally justified in claiming independence for itself from council's control. This is not to say that there could very well be unique and compelling reasons for the continued existence or creation of special boards or commissions within a community, but that decision should be a local municipal council decision and not a legislative requirement.

Municipal government has historically been preoccupied with basic service delivery and physical infrastructure expansion. Today, municipal governments have matured to the level of competence and professionalism necessary to assume the expanded role demanded by their more complex urban environments. For Ontario's municipal governments to remain viable and accountable, it will require unique and innovative approaches to the rapidly changing social and economic urban environments of the 1990s and beyond. Having local authority for a community's physical and human public resources reside with municipal councils would cause less confusion and create a more effective and efficient form of government which would be more capable of responding to the diverse and unique needs of the respective communities.

Our recommendation under this is that the government of Ontario remain strongly committed to those sections of Bill 26 that give municipalities the full authority to dissolve local boards and commissions and to integrate their functions into municipal government in an effort to increase administrative efficiencies and improve public



accountability. It is our understanding this is clearly the position of AMO.

At the beginning of our brief, we indicated the factors that have created unparalleled reductions to staffing levels and service levels as a result of the carryover from the Rae social contract and the cuts imposed by the Harris government. We support the government in its goal of providing additional methods for municipalities to generate revenue. We do so keeping in mind that a tax is a tax. Our council has been supportive of the concept of user fees and it is our position that the ability to apply new revenue-generating opportunities directly to the user, but as pointed out above, these fees will in no way offset the grant reductions to this community.

I've asked our treasurer, Mr Rick Fiebig, and our chief administrative officer, Mr John Morand, to review these sections of the act and I would like to make the following comments.

0940

There is little doubt that with the magnitude of the transfer reductions we are facing, we must find new sources of revenue if we're able to maintain even the basic municipal services without substantial property tax increases.

At the same time, even if the province would allow it in the final version of the bill, could you imagine the problems with some municipalities having a sales tax, while others would have a gas tax, while others would have no taxes? Can you imagine the new bureaucracy that would have to be established to collect these revenues, at a time when we should be doing just the opposite?

The solution may be for municipalities to finally receive a portion of provincial sales and gas tax revenues, if possible based upon local revenue streams. In Kingston's case, the best type of tax would be a payroll tax similar to the health tax. This would help offset the problem we have with the declining unconditional grants and the PILOT inequity in this community. Once again, it would make sense that the province would collect this revenue through its existing administrative structure. If the province is not in a position to take this approach, we would like to seek clarification on the section headed under general licensing powers, and we have printed that for your information, Mr Chairman.

Moving to page 19, which refers to this italicized section: These sections should be read and need to be read in conjunction with subsection 257.1(1) and clause 257.2(2)(f). Under these sections, could the municipalities in the greater Kingston area establish a licensing fee for hotels, service stations, liquor control boards and Brewers Retail which would require "the payment of licence fees which may be in the nature of a tax for the privilege conferred by the licence or for the purpose of raising revenue," which would be equivalent to one cent per litre for gasoline, \$1 per occupied room night for hotels and \$1 per litre for alcoholic beverages? Further, should a business not agree to the collection and remitting of such fees, then it is our interpretation that a municipality may charge a licence fee of \$1 per year for those who comply and a graduated fee of up to \$10,000, for instance, per year for those who do not. We seek clarification of the

new revenue opportunities within this bill. We would ask you to keep in mind section 257.3, the exercise of power, in providing us with your answer.

In our 1996 draft budget, we have included a revenue item of approximately \$92,000 which, if generated, will save two of the 99 jobs that are currently slated for elimination during our 1996 budget deliberations. That revenue is based on the municipality being able to charge for vital event registration and marriage licences to reflect a fee for services to our citizens and those in surrounding municipalities in the townships where the service is not provided.

Our recommendation is that the regulation clearly provide municipalities with the ability to charge for vital event registration and increase costs for marriage licences.

In addition, the city of Kingston and other university towns expend substantial funds in regulating building standards related to housing provided to students. As you are aware, the city is remunerated for its hospital and university and college grants through the infamous heads and beds tax or a grant in lieu of taxes. We are of the opinion that the provisions of section 220.1 and sections 257.1 through 257.3 would enable the municipality to charge a fee in the nature of a direct tax on the landlords and residences providing student housing, including the university. This would help to offset additional costs of property standards enforcement in university towns so that an additional user fee could be instituted, through the universities, directly to the students living in the residence.

Our recommendation under this is that any amendments to Bill 26 not remove the ability to invoke user fees associated with property standards enforcement.

The police services board: The police services board in its budget is expecting to generate \$50,000 in revenue by providing an alternative fine for certain provincial offences. For instance, an officer finding someone without a seatbelt could charge them under the Ontario Highway Traffic Act, section 106, with a fine of \$105 and two points, or charge them with a municipal offence, of which the penalty would be to attend a safe driving seminar given by a police department at a cost of approximately \$100, we have suggested. This would generate substantial revenue for the municipality and would provide driver education immediately related to the offence, rather than waiting until the number of driver demerit points issued required an interview with the Ministry of Transportation officials. Since we are budgeting based on the ability to do this, we seek immediate clarification that it will not be disallowed by the legislation or the regulations thereto.

Schedule Q: I would like to speak to those amendments under schedule Q of the bill. These are the amendments to the various statutes with regard to interest arbitration, in particular the Fire Departments Act, and I am conscious of the fact that the city's professional firefighters' association is following my presentation.

We strongly support provisions within this schedule, most specifically the Fire Departments Act and the criteria provisions. As you are aware, the current legislation requires that when, through the collective bargaining



process, firefighters table a proposal for a salary increase, the requested increase is built into the municipality's budget.

In the past, when municipalities at arbitration hearings have discussed the issue of ability to pay, the arbitration panel has been able to point to the requirement that the municipality budget for the pay increase, and since it was in the budget, you merely have to raise taxes to pay for it.

Times have changed. The arbitration system has been generous to fire, police and the Ontario Nurses' Association. Other groups in the municipal government certainly have not received nearly the same salary advancement, and the arbitration awards have had a significant impact on the cost of our services. Therefore, the system needs to change to reflect local economic conditions and the level of increases that non-union and other union groups have received.

Actual historical relationships need to be considered when an arbitration board is looking at wages and other forms of compensation for employees subject to binding arbitration. As was stated at our council meeting this past Tuesday evening, our firefighters' union must be willing to give in order to balance our budget at the present time, and we require these new rules for binding arbitration. The same criteria should apply to police services and our home for the aged, wherein arbitration awards have outstripped the municipality's ability to equitably pay its other employees. We are strongly supportive of any changes in arbitration which would require those employees bound by arbitration to be responsive in their demands with respect to the ability of the community to pay.

The taxpayers of the city of Kingston and other municipalities are asking you to level the playing field by including and passing the proposed amendments in section Q.

In conclusion, we have limited time and we would like to respond to your questions. I would like to point out that it has been a difficult exercise to respond to the draft legislation, in that you must have copies of a variety of pieces of the legislation on your desk as you read through the omnibus bill. It would have been much better had there been a series of individual bills introduced simultaneously with concurrent hearings across the province. Perhaps in the future, omnibus bill changes could be handled through a series of separate bills with concurrent hearings. It would simplify the process, and I think it would give us all a much greater opportunity to participate.

We thank you for this opportunity to make a few comments and we would certainly be pleased to answer any of your questions.

**The Chair:** Thank you. We have two minutes per caucus for questions, starting with Mr Silipo.

**Mr Silipo:** Thank you, Mr Mayor, for your presentation. I'm glad that we've had at least this opportunity to hear from you. Certainly your last point is one that we would concur with as a minimum in terms of any future legislation: giving people the chance to actually have adequate time to look at it.

I appreciate very much the figures that you presented at the beginning of your brief, because I think it paints a very different picture of how the whole government's fiscal agenda impacts on a city like Kingston from what we are typically led to believe back at Queen's Park. Just to give you one example, the Minister of Finance said in his statement, I believe, or certainly in some statement that was made, very clearly that the 22% cuts to the welfare rates would actually benefit municipalities. You're saying that it's costing you \$1 million more, if I read your brief correctly.

**Mr Bennett:** You did.

**Mr Silipo:** I'd be interested in any comments you may have on that point. But I guess the one question, given the limited time that I have, is actually on one of the last points you made around the arbitration process.

This has been criticized by a variety of groups, certainly including the firefighters—and I'll be interested in hearing their submission as the next presenters—who have clearly characterized this as being really nothing more than wage controls by the back door. It would then mean that you as the employer would be saying to the arbitrator, "This is what we believe we can pay," and the arbitrator would have very little, if any, flexibility to award anything different from that. So one could ask, what's the point of going through that process of pretending that somebody else is making the decision, as opposed to simply saying the municipality will determine what the wage settlement will be?

**Mr Bennett:** Historically, certainly in the city of Kingston, we've had an excellent rapport with our employees and we've had an ability, in most cases, to not have to seek the arbitration process. Certainly in terms of the police services board we've been very successful. We just believe that you're taking one smaller subgroup of the total municipal complement and providing it with perhaps benefits or processes that are not clearly provided to all the municipal employees. What we're asking for is a level playing field; in other words, that we use a similar process of labour negotiation and collective bargaining with all our employees and no one has the provisions or the opportunity to be given priority under specific acts. We just think that collective bargaining should be uniform in the province and should not be defined through a variety of acts.

0950

**Mr Joseph N. Tascona (Simcoe Centre):** I note that schedule Q or schedule M hasn't changed the budgeting requirements with respect to a request for a salary increase by the firefighters being put in your budget. But I also note that what you're really saying is that the arbitration awards for the firefighters have exceeded the freely negotiated settlements for your other employee groups and that you're supporting the mandatory requirements, with respect to schedule Q, to bring fiscal reality into this particular sector, the interest arbitration.

My question, though, relates to your statement that the arbitration awards have outstripped the municipality's ability to equitably pay its other employees. I'd just like you to comment on that.

**Mr Bennett:** Historically, what we've seen is if the arbitrators award a higher increase to, let's say, our



firefighters—I'm not singling out our firefighters—the difficulty becomes that we have to go back to our other employees now who look at that arbitration award and say, "Well, we negotiated and agreed collectively to an increase," and it appears as though it's a separate, autonomous process. We should ensure that when we deal with our employees, we're dealing with them all collectively. I guess we're concerned with the provisions currently that everyone can seek arbitration under specific acts. We're just asking to ensure that when we deal with our municipal employees, we deal with them all collectively together.

**Mr Gerretsen:** Gary, first of all let me congratulate you on an excellent brief. You've brought up many points that we haven't seen anywhere else. Unfortunately, in the clause-by-clause deliberations next week we will have maybe three hours to look at all of the municipal issues in schedule M. You've raised many issues, so you can well imagine how much real discussion will take place. Of course, this isn't real consultation either. You make a presentation and we get two minutes to respond to it. That's not what consultation is about, as your brief points out.

We've gone around the province. I haven't been involved formally with AMO; I know what the deal was. The province basically said, "We're going to give you less money but we're going to give you more powers." The moment we talk about some of these "more powers" that municipalities want, whether it's a poll tax or a gas tax or a room tax or a gas and alcohol tax or even a sales tax etc, immediately the province comes back and says, "Oh gee, we didn't mean that, you know." But what do they mean? This is the game that we've been playing back and forth.

The bottom line is this: You're going to have a lot less money and you've got a choice of fewer services, a general tax increase or you want some of these additional powers with respect to fees and licensing and things like that. Is that not correct? I'm not saying you're going to do it tomorrow—you're a responsible council and a responsible organization and you'll try to work within your budget—but you want the ability to levy something like a gas tax or, as you said, to generate the revenue opportunities out there as a municipality, don't you?

**Mr Bennett:** I want a very clear and very immediate clarification of just what our new powers are. We're two weeks, going on to three weeks into our budget year. We're budgeting a lot of the ability to impose or create new opportunities for revenue under the assumption that many of our interpretations are correct. At this point in time every municipality in Ontario is assuming their interpretation of what they can or cannot do in terms of the user fees is appropriate.

*Interruption.*

**The Chair:** I apologize for the interruption. Mr Gerretsen, we've come to the end of your time.

**Mr Bennett:** We're unsure, as a lot of other people are.

**The Chair:** Mayor Bennett, I want to thank you very much for coming forward to the committee today and making a presentation.

## KINGSTON PROFESSIONAL FIRE FIGHTERS ASSOCIATION

**The Chair:** May I please have representatives from the Kingston Professional Fire Fighters Association come forward.

Can I please have order in the room in deference to the presenters. If you're going to have conversations, you should take them outside. Thank you very much. Go ahead, gentlemen.

**Mr John Machin:** I'd like to introduce my group. To the left of me is Richard McCullough, number two vice-president of the Ontario Professional Fire Fighters Association, and to my right is George Harris, secretary-treasurer.

My name is John Machin. I am a full-time firefighter with the city of Kingston and also president of the Kingston Professional Fire Fighters Association. I represent 98 personnel whose experience ranges from 32 years to one year. I would like to address the ramifications that may flow from the omnibus Savings and Restructuring Act, 1995, better known as Bill 26.

At present, Kingston is number one as a retirement community in Ontario; we are number two in Canada. Our city core has an extremely high density of old buildings, many of which are of historical significance and designated as heritage buildings. The construction of these buildings and their locations require specialized firefighting services.

Budget and staffing cuts: Kingston is a unique city, with a total property tax base being 67% taxable, 32% non-taxable. Outstanding property taxes at present are \$10 million to \$12 million in arrears. Welfare costs in the city, out of a \$100-million budget, are \$35 million. Our budget shortfall as a result of this government is in excess of \$7 million to \$9 million.

A great number of educational, federal and provincial institutions have a significant effect on these above figures. Some 17% of the total fire department calls in 1995 have been to Queen's University buildings. As the fire department's budget shortfall requirement is \$953,810, and 95% of this is salary or benefit related, it is extremely difficult to meet these cuts. Approximately 23 staff members will be required to be dismissed in order to meet these target cuts. This is approximately 25% of our workforce. This type of action would decimate the service of the fire department and all related services that are currently provided to the municipal taxpayer.

Defib, medical assist calls, auto extrication, hazardous waste spills: These have been added responsibilities outside of collective agreements and legislative acts.

Station closings due to budget cuts will place the responsibility squarely on the municipal council to inform the residents of that area that there is no service from the station in that area and to expect a delay in response times. This would place the budget before the public safety of the municipal residents.

With staffing cuts it would be difficult to staff high-rise apparatus, therefore leaving buildings of more than six floors in an extremely high-risk situation.

The provision of other services, including medical responses, would then have to be reviewed.



I now would ask you to turn to schedule M, appendix A.

The firefighters are currently involved in a review of the fire service in the province, under the direction of the Solicitor General, the person appointed by the government to be responsible for the fire service in Ontario. We are dealing with the Fire Departments Act, a specific piece of legislation, and there is a potential number of amendments that would directly affect the level and delivery of the fire service in Ontario.

Prior to the election of the Conservative government, we solicited comments, on behalf of the Ontario Professional Fire Fighters Association, from potential candidates in our local areas who were seeking election, on what their position would be on the proposed changes to the Fire Departments Act. We received written responses from a great number of potential MPPs seeking election on behalf of the Conservative Party. In those responses we received letters from the now Premier of Ontario, Mike Harris, the now Solicitor General, Bob Runciman, the now Minister of Labour, Elizabeth Witmer, and the now Minister of Health, Jim Wilson, all stating the following, and I quote:

"No changes will be made under a Harris government until such time as your members have been thoroughly consulted. And we will insist that all changes be fully costed—both from the point of view of workers as well as management."

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In a conversation on December 14, 1995, the Solicitor General, Bob Runciman, agreed with our provincial president, Mr Jim Lee, that we had not been thoroughly consulted as was promised by the Premier and other ministers of the current government. I refer you to a letter, also accompanying your package, dated January 15:

"The Honourable M. Harris, Premier

"Dear Sir:

"This letter is in response to your letter addressed to Mr Patrick J. DeFazio, Editor of the Intrepid/Fireline, dated December 29, 1995, and received on January 13, 1996.

"You make the comment that consultation has taken place and is still continuing.

"Mr Harris, in a meeting held on December 14, 1995, with the Solicitor General, Bob Runciman, I made the following comment, and I quote:

"That I did not construe and would not construe this meeting or the past two meetings as being thoroughly consulted."

"Mr Runciman asked me what I thought was consultation and I told him that a five-minute meeting with him breezing in and out could not be construed as consultation.

"Mr Runciman agreed with me at that point in time that in actual fact we had not been thoroughly consulted.

"The exact conversation was confirmed with Mr Runciman in a letter dated December 15," which is also attached.

"Mr Harris, your statement about the consultation process is not correct and we would suggest you take the time to discuss this very important issue with Mr

Runciman and review the correspondence from our organization in this regard.

"We are again asking your government to live up to their commitment to us before there are any changes to the Fire Departments Act.

"Jim Lee, President

"Ontario Professional Fire Fighters Association."

Unilateral powers to a municipality in schedule M: Once amalgamation or regionalization, on which discussions are presently ongoing in this area, is implemented staff will be considered new employees with no successor rights or collective agreement.

The devastating effects of this proposed legislation would destroy not only 75 years of negotiated collective agreements, but the trust and good faith that has developed between the city and our association during that time. A new collective agreement would then have to be negotiated, with the final resolve under the proposed changes to the arbitration process in schedule Q.

Schedule Q: Under this section, the municipality would present the ability to pay before an arbitration hearing, and as no objective tests for measuring the municipal employer's ability to pay has ever been established, it would therefore force arbitrators into rendering a decision that would be a form of wage control. This may destroy public safety, trust agreements, family enjoyment, health, lost productivity and morale.

At recent town hall meetings held in Kingston, the public, when asked to respond to what services are essential to be maintained, the fire department received an approval rating in excess of 90%.

Section 220.1 of Bill 26, the head or poll tax, would establish two types of citizens: those who could afford and those who can't. User fees could cost lives. The fact that there is a user fee for emergency services would deter citizens from calling immediately upon discovery of an emergency. Any delay in reporting an emergency because of a fear of a user fee could seriously hamper our abilities to contain the situation. This would have a significant impact on both lives and property.

In closing, the government took office on a platform of no new taxes, but this document has only shifted the responsibility for taxes to the municipal taxpayers. The firefighters have absolutely no control over these unpaid debts. However, we are being forced to accept this type of legislation which will have a devastating effect on the public safety of the citizens of the municipalities in Ontario.

We are here today to ask the Conservative government to live up to its commitment to our provincial association that there will not be any changes to the Fire Departments Act without consultation. We are asking the government to exempt the firefighters and the fire service from the impact of Bill 26 and allow us to continue discussions on our own piece of legislation, the Fire Departments Act, as was promised by the Conservative government prior to its election.

If this piece of proposed legislation is the best form of a Common Sense Revolution, what do we, as dedicated firefighters in the municipality of Kingston, have as a vision for the citizens who have entrusted their public safety to us?

*Applause.*



**The Chair:** Order, please. Ladies and gentlemen, I understand and respect your desire to respond at many occasions during the presentations. I want to let you know that each group has a limited amount of time to present, and after the presentation, the remaining time is divided equally among caucuses for questions. Prolonged response eats into that. I know that the gentlemen at the table and other presenters want the maximum time to respond to questions, so I just want you to keep that in mind.

**Mr Tascona:** Thank you very much for your presentation. As a member of these hearings I've been involved in representations from different firefighter groups throughout the hearings in almost every city, in some cities more than two firefighter groups. We've also heard from your president on at least three occasions at these hearings. Each time, the proposals have been focusing on schedules M and Q, so we're very familiar with the approach and what your concerns are.

I'd like to say at this point with respect to schedule Q that there has been consultation. Certainly a letter has been given to your president with respect to the criteria that have to be considered by the arbitrator, that these criteria are not exhaustive and that other criteria can be considered that are relevant to the process. As you know, there are things that are required to be considered, but consideration is far more than saying, "You have to do this," in terms of dealing with levels of service.

Levels of service are still under the control of the municipality. It's a political decision, obviously. You've raised some concerns about which you'll have to deal with your council. Obviously, it's part of the collective bargaining process in terms of the level of service and the way you want to provide that. We've heard the position of the city of Kingston through the mayor at these hearings today.

I'd like to say, though, that we've heard from other firefighter groups, in particular the London group. We respect the right that you want to do the best job for your members. Obviously, wage increases would be something you would like to see. What we've heard on the other side of the coin is that the taxpayers are not in the mood for any more wage increases that would result in a tax increase. That's one of the criteria that has been approached through the municipalities saying, "We don't want any increases in taxes, and add that to the criteria," and that's been their standard position throughout. That's been the position of the school boards, the police service boards etc.

The mayor indicated that there had been a task force to deal with CUPE in terms of trying to reduce costs and also services. Would you be in favour of an approach dealing with such things as productivity bargaining, which will have to deal with such things as saving costs, maybe redefining the compensation pie? It's clear from your mayor's presentation that they feel you've done very well in the interest arbitration process, to the detriment of the other workers. We got that out of him, and it's in his brief. Also, they feel that any more wage increases to the firefighters are going to reduce the pie and will affect services. Those are the statements from your own city.

I'd like some comments from you, your side of the story, with respect to the comments made through the city brief, and also what your view would be with respect to productivity bargaining in these era where we have a very difficult situation in terms of fiscal debt, which has been brought on in the last 10 years through mismanagement in financial spending of other parties. That is a fact, and everybody knows that.

We've got a fiscal reality and we've got to deal with it, and I'd like your suggestions for a solution to this, other than the fact that you're looking for wage increases not being part of the control system.

1010

**Mr Machin:** As you look at page 2 of my brief, it says "outstanding property taxes." How do you expect me as a firefighter to run around the city and get those collected? I have no control over what property tax is outstanding. As you look at the next list down, if you indeed recovered those outstanding property taxes, we wouldn't have a shortfall. If we're only short between \$7 million and \$9 million and there's \$10 million to \$12 million outstanding—I believe you went to the same school that I may have—that would show there's a surplus.

**Mr Tascona:** That would indicate to me too that people are having difficulty paying their taxes because they can't afford to pay them any more. Every city we've gone to has indicated that property tax arrears are unbelievable, which would indicate to me that there's a real problem out there in ability to pay; it isn't there any more.

**Mr Phillips:** I appreciate the presentation. I'm going to try to summarize what I think we've been hearing on this section, then I'd like to know whether I've interpreted it properly.

Before the election, then Mike Harris, now Premier Harris, gave the fire organizations of the province a solemn undertaking that there would be full consultation, including costing, before any amendments were made to the Fire Departments Act. The election was then held, and then this is what I think happened. No one's contradicted me.

Al Leach went to the Association of Municipalities of Ontario and said: "I'm going to cut your grants in half. How can I keep you quiet?" He agreed to unlimited licences, unlimited fees, restructuring proposals and some things that direct arbitrators in a way that exists nowhere else in Canada. The only time it's ever been tried is under wage control plans, and then it was abandoned where it was tried. It exists nowhere else. There is no question that what is proposed in schedule Q for arbitrators tilts the balance like that—no question. No one who looks at it can argue.

I remember that Mike Harris said he was going to take the cuffs off the police. The police never realized he was taking the cuffs off them and putting them on the arbitrators, because that's what this is. It directs the arbitrators how they have to make a decision.

This, in my view, is the most dishonest part of the whole bill. They should have come clean and simply said, "We are imposing wage controls or wage rollbacks on police, fire, and hospital workers." It is no accident, by



the way, that it's schedule Q, the very last section in the bill. When I got the bill, I turned to the last, because I assumed that's where they were trying to hide things, and that's where you were. I really did. I worked backwards from there.

They've been telling the money markets: "Don't worry. We've got this new legislation that will essentially direct wages for the public sector, a new wage control bill." My point is this: If that's what they want to do—and it's clear what they want to do—they should have been honest with everybody, with you people to whom they gave the promise before the election, and said: "I'm sorry. We've changed our mind." However, I might say the deficit now is exactly the deficit they thought it would be when they were running the campaign. Nothing's changed, other than the fact that you weren't at the bargaining table between AMO and the government, and you were sacrificed.

Have I characterized it properly? The implication of this direction to the arbitrators, which exists nowhere else—and I understand why the mayors are fully in support of this; their grants are cut in half, their backs are to the wall and they've got to find the money somewhere—you're it. In your study of the arbitration, have you been able to find anywhere else in Canada where this exists? Would you agree that this is at least the Harris wage control plan through the back door, if not the Harris wage rollback plan through the back door?

**Mr Richard McCullough:** I totally agree with that. What the government did to this organization is nothing but a Dunkirk. What Mr Tascona suggests, that we were consulted, is totally false. I'm a representative of the Ontario Professional Fire Fighters Association who sits on the Fire Service Review Committee. I was at those meetings with Runciman. We were never consulted, and for him to suggest that we were is totally false.

**Mr Gerretsen:** This isn't the first time this has happened. I can remember being an AMO rep, when I was mayor of this city back in 1982, on a committee that met with the Solicitor General, the association, the chiefs and a whole bunch of other interest groups to deal with exactly these sections, and halfway through the process that came to an end because the Davis government imposed the 5% and 4% wage constraints. It's the second time they've done this to you fellows.

**Mr McCullough:** Getting to schedule M, that's going to allow the municipalities to downsize, replace full-time with volunteers, privatize the fire department if they wish, and it's going to do nothing but increase response times. As everybody here should be aware, the initial stage of a fire is the most important, and if the increase in response time happens to double or triple, this bill will mean we're going to be pulling the people out of fires and they're going to be totally roasted.

We're telling you here today as Ontario firefighters and Kingston firefighters that this is going to affect public safety in Ontario. I'd like to ask the government, what are you going to do about it under the Harris government?

**Mr Silipo:** I want to come back to this question of public safety, but let me pursue the issue of the arbitration for a minute. As you probably know, but I think it

would be of interest to the people here, your colleagues in Timmins showed us the video showing Mike Harris making the commitment he did to no changes without consultation, at one of your association's gatherings. In addition to the letters, we also had the pleasure to see that commitment, which clearly has been broken.

**Mr Gerretsen:** Was that Mike Harris in that video?

**Mr Silipo:** It certainly sounded and looked like Mike Harris. The point I wanted to pursue on this question of the arbitration is that the mayor earlier indicated that there's been a history of settlements reached here in Kingston without resort to arbitration. Can you tell us, over the last 10 or 15 years, how many times you've had to go to arbitration?

**Mr Machin:** I believe that over the last 10 years we've been once.

**Mr Silipo:** Once. That's pretty typical, isn't it, of most areas? The figures your provincial association shared with us, which I don't think have been denied in any way by AMO, show that in about 85% of cases across the province, settlements are reached without resort to arbitration, and where you have to go to arbitration, agreement has been reached on the financial package unanimously, meaning that even the appointee of the municipality has, at the end of the day, agreed with the package.

On the point Mr Phillips made and that we made earlier about this being wage controls by the back door, I want to make an observation and ask you to respond. While that very clearly affects firefighters, police officers and nurses initially, because those are the three groups that tend to use arbitration the most, even though it's not very often, the importance goes way beyond those three groups of employees. In the power sharing that's going on, in the deal struck between AMO and the Harris government, this would not only allow municipalities to control your wages but it would allow, in effect, through the pattern settlement that then gets established, for them to turn to all other employees and say, "The firefighters got 0%," or a 2% rollback, "and the police got the same, so that's what you're going to get."

That's the importance, and this is the issue of the government not having the decency to be straightforward and say, "This is what we think should happen," but just passing the buck this way, in this case to arbitrators, to have them do the government's work for it so it seems like it's being done impartially when in effect it's being done very much in a straitjacket with very clear directions from the government.

1020

**Mr Machin:** I believe that's correct. I see where we're going to have great difficulty in the province of Ontario having an arbitrator sit with possibly the criteria all laid out for him. He is no longer an independent person. He is dictated to by the government as to what he—or she—will do.

**The Chair:** Mr Silipo, we've come to the end of the time. I want to thank you gentlemen for coming forward and making your presentation to the committee today.

**Mr Machin:** Also for the committee I will give a video, and it deals with the 911 distress call, on what happens with reduction of people. I would sincerely hope that the government will look at it.

**The Chair:** We'll have that filed with the clerk.



## TOWNSHIP OF KINGSTON

**The Chair:** May I have representatives from the township of Kingston come forward, please.

**Ms Isabel Turner:** Good morning, gentlemen. I understood I had 10 minutes, so in my presentation, you may be able to make up some of your time lag. My name is Isabel Turner and I am the reeve of Kingston township. I would like to introduce to you Warden Frances Smith from Frontenac county, whom I will ask if she can just deliver a paper to you, not present it but merely deliver it.

I would like to thank you on behalf of the corporation of the township of Kingston for this opportunity to appear before you today to discuss Bill 26 and bring to your attention some of our concerns. We are hopeful that the input received in the course of these hearings will be used to finalize Bill 26 in a manner which adequately responds to the needs of the people of this province.

As I understand that you have received many comments on this bill, I intend to limit my remarks to two critical items in Schedule M, amendments to the Municipal Act and various other statutes related to the municipalities.

However, before addressing those concerns, I would like to share with you that reviewing the legislation was extremely difficult due to the absence of the related regulations. We have also heard that the ministry is making anticipatory changes. However, not having the benefit of the text of these changes, I trust you will bear with me as I proceed.

**Restructuring by commission:** Sections 25.2 and 25.3 provide for the imposition of restructuring by an independently appointed government body. Such a commission may consist of a single individual, and such commission can implement restructuring without any reference to the minister.

This commission, established by the minister by regulation, is to develop a restructuring proposal, which proposal may then be implemented by exercising—and I draw your attention to—special powers yet to be detailed in regulations. In the absence of these regulations, it is difficult to determine if there will be any involvement of the municipal councils affected, the public or others in developing restructuring proposals. It is clear, however, that the decision of the commission to implement the restructuring proposal in accordance with the regulation establishing it is final. For these reasons we have grave concerns about the type of commission proposed in Bill 26.

**Commission powers:** We are concerned with the special powers that will be vested in these commissions, particularly because we don't know what the extent of the powers might be. While we appreciate that these are for the most part to be determined by the Lieutenant Governor in Council by way of subsection 25.2(11)—and it's quoted below so we don't have to go all over the place to look for it—the absence of the regulations makes it most difficult to review the proposals of the legislation in a meaningful way. It appears that where a restructuring commission has been established, the affected councils could be severely and unnecessarily restricted from conducting the necessary business of the local govern-

ment. This underscores the need to make the relevant regulations available for comment if meaningful input on the desirability and utility of this type of commission-driven reform is to be made.

**Implementation orders in subsections 25.3(3) and 25.2(12):** We are particularly concerned about the proposed powers of the minister and commissions to make orders to implement the proposals they develop, and more so about their powers to make such orders notwithstanding the provisions of any other act or regulation that is inconsistent with their orders. These are staggering powers for potentially just one person to exercise. Further, there are no provisions here for dialogue or questioning prior to the issuance of such orders, nor any rights of appeal once the orders have been made. We suggest that the powers of the commission be limited to the reporting of its proposals to the minister, cabinet or other appropriate body, so that any decisions concerning implementation will carry the appropriate political responsibility.

**Public and other input:** We feel strongly that any commission should be formally required to seek local input in the development of its restructuring proposals. As the proposed legislation contemplates only publishing the orders implementing a restructuring proposal, there is no provision for public input or involvement of any kind in the process of formulating a proposal. Neither does it include, let alone require, any type of consultation with local authorities in the course of developing and implementing a local government restructuring proposal. As presently proposed, the minister could appoint a commission, the commission could develop a restructuring proposal and, though slight, the possibility exists that the first we might hear of it is when our clerk receives the order of a commission implementing a proposal altering our local government structure under clause 25.3(4)(b).

We believe steps must be taken to revisit Bill 26 in order to ensure that adequate public involvement and community consultation will occur in the course of developing any restructuring proposal, and further that the end results being recommended to the minister be imparted by the commission to the affected ratepayers.

**One-person commission:** We believe that the final decision for the restructuring of local government is too important to leave in the hands of a single non-elected individual with no safeguards, checks or balances. We also believe that such a commission should not be allowed to make the final restructuring decision. The authority to act must carry with it appropriate political responsibility.

**Process:** If a commission approach must be used for the restructuring, then there is a need for a process to air concerns related to the actions of the commission, particularly in its making of orders to implement a restructuring proposal. Also, some provisions must be included to require commissions to report to the community at key points in the process.

We therefore recommend that the powers and duties of the commission be re-examined and that in particular, first, subsection 25.3(3) be amended to limit the powers of the commission to the reporting of its recommendations to the minister, cabinet or other appropriate body;



second, provisions be added to ensure adequate public involvement and community consultation in the development of restructuring proposals; and third, subsections 25.2(11) and (12) be amended in order that no one person, not even the minister, shall be placed above the lawful authority of the provincial Legislature.

Here we beg the question: Is it lawful for a regulation of government to have superior authority to a statutory provision of the Legislature? After all, who else in this country can act with impunity in the face of government legislation and regulation? It appears that subsections 25.2(11) and (12) provide a commissioner with the authority to do just that. We can find no rationale for giving such an unelected position such power without the responsibilities that would run in concert with such power. I'm not a lawyer, but I would imagine that not even a judge in our highest courts has the power to set aside laws, legislation or regulations which are otherwise valid and enforceable. How can we sanction attempts to give such powers to a commissioner?

News reports have been issued that the following could very well be redundant; however, until the formal withdrawal is given, I will present to you our original submission, and this is on councillor liability. This provision relates to the contravention by councils of regulations made by the minister for localities where a commission has been established to develop a restructuring proposal. This section makes council members personally liable for any adverse financial effects which may result from the contravention of certain regulations related to restructuring. It's a bit like putting a target on the backs of politicians who have been retired from political service by local government restructuring, especially so in light of the provision that an action against such politician may be brought by any municipal elector of the municipality.

You may be aware that AMO's position is that this is an unwarranted financial consequence for municipal politicians who exercise their responsibilities in good faith. We agree with that and feel that this is both unwarranted and unacceptable. It certainly stands in stark contrast to the immediate preceding section, which authorizes the minister or commission to implement a restructuring proposal and to ignore any existing laws that might stand in the way, apparently in the absence of any process or reference to anyone else and with no personal responsibility for any financial or other consequence. It appears that it may be very difficult for the average councillor to know with any certainty just what is in effect and therefore what he or she is supposed to do.

We believe this proposal requires extremely careful reconsideration, since it allows any municipal elector to bring the action. Having had experience with actions brought by municipal electors, I can tell you that these actions are often based on inaccurate and/or incomplete information and that they can be costly to everyone involved. We had one such elector who cost the municipality in excess of \$100,000.

One of the critical points here is that the issues are not often crystal-clear in terms of whether or not a contravention has occurred. Consequently, this proposed legislation is likely to result in unwarranted actions being brought against private citizens whose only crime was having

served their community as a member of a municipal council. If such individuals were found guilty, it is likely that they would have no means to pay the adverse financial effect, and those individuals who are found innocent will reap the benefits of mental anguish and legal bills as final payment for their dedication to public service.

Under this proposal, no one seems to win. Even the commission could be inundated with requests for confirmation that council's proposed actions will not be in violation of the commission's orders. On the other hand, the minister already has the power to act if a municipality misbehaves, since he can send a commissioner to take over the operation of such municipality.

We believe this provision should not be pursued in the absence of compelling evidence to confirm that it is necessary, equitable, desirable and, most of all, workable. It would seem more businesslike and reasonable for such contraventions to be dealt with by the ministry, and with respect to the suspect municipality as a corporate entity, not placed on the backs of retired municipal councillors.

We therefore strongly recommend that this subsection 25.2(13) be deleted.

Gentlemen, I would like to thank you once again for having received this presentation.

**The Chair:** We have five minutes per caucus for questions, starting with the opposition caucus.

**Mr Gerretsen:** It's always nice to discuss these items with the reeve from Kingston township, the oldest and fastest-growing township in Ontario.

*Interjection.*

**Mr Gerretsen:** No, no, not about you; I was talking about the township.

Isabel, you've really put your finger on it, because I think there are a couple of things that people ought to remember. Number one, when a commission gets appointed, its decision is final. No appeal by the minister, by cabinet, the OMB or anybody; it's final.

Secondly, there's absolutely no requirement for public input. In anticipating what my friends are going to say, yesterday after Frances left, a couple of amendments were tabled that dealt with some public input. There is some public input; for example, holding at least one public meeting. Now, you and I know that this kind of process is going to require a heck of a lot more than just one public meeting. And people are going to be given an opportunity to make representations once the draft report is out. So there are some minor amendments coming. But I think the point that you make in all this is that this is a very complicated matter that almost deserves a bill on its own, yet it's just one little part of one schedule of a bill that contains about 20 different parts to it. What's your comment about the process in all of this?

**Ms Turner:** We've had process in place for many, many years, and whether it's the fact that you are perhaps used to looking at that process and feel that you find that acceptable—what I find rather unacceptable is this: We look at communities. There is ownership in these communities. The ownership is the taxpayer, and let's not forget for a minute that same person digs into their pocket and they pay federal, provincial and municipal taxes. It's the same person. The key to a local situation:



They have more of an ownership. They feel that their money is going towards what they have chosen and where they have chosen to live. It's unacceptable to have someone come down and say, "You've now changed to something else," and they have absolutely no say in the matter.

The other part about it is, as I understand it, the commissioner can run up all kinds of bills and do all kinds of consulting and then turn around and say to the municipality, "You owe this." It seems a bit strange, and the bit that worries me is that we don't lose sight of the democratic process that we are so used to in this province. This is why I felt so compelled to bring these two matters to your attention.

**Mr Gerretsen:** And by which local government has functioned very well, because of the democratic process.

John Cleary has a question.

**Mr John C. Cleary (Cornwall):** I would like to thank you for your presentation. It's always good to hear from municipal people. I know that I've been in on many hearings in our part of eastern Ontario where municipal governments are ready to restructure but they don't seem to be able to get any information on the criteria. Maybe you could help me out on this, that information is required on the form in detail that the minister will require in a restructuring proposal.

What is meant by a "prescribed degree of support" and what is a "prescribed municipality"? What is meant by in a "prescribed manner" for determining support? Most of all, what are the "prescribed criteria" and what is the "prescribed type of restructuring"? They've had people sent down to our area from I guess the Toronto area trying to help the municipalities, but they didn't have a clue what was going on either. So the municipalities are hanging out on a limb. Maybe you could make a suggestion to us.

**Ms Turner:** I think that's why I'm here, because I'm looking for the answers to the various prescribed—there was one; I'm sorry, I don't have it noted here, but it's rather a complex thing. I did hear someone say that there are some areas where the agreement comes in and it's something to do with the number of municipalities, the number of electors, and it goes on and it becomes very, very complicated. I think what I'm looking for is, please give us something a little simpler, please give us something a little more direct, please give us something with a democratic process in it. Really, that's all I'm asking.

1040

**Mr Cleary:** I'm really pleased that you said that.

**The Chair:** Mr Cleary, we're into the third party's time now. I'm sorry. Mr Silipo.

**Mr Silipo:** How much time do we have?

**The Chair:** Five.

**Mr Silipo:** Five? Thank you. Thank you, Madam Reeve, nice to see you again. Last time I was here, I think we were announcing some measures to help people on social assistance. I'm glad that we're having the chance to talk about these issues today, although I wish it was in a different context.

What I take very clearly from your presentation is a sense that, "Look, restructuring needs to take place; we're not saying that no restructuring is the answer, we're not

saying that the status quo is the answer, but surely there is a democratic process that needs to be followed," and while the establishment of a commission may help in that, in terms of dealing with a way to look at issues and a way to look at potential restructuring of various services that municipalities are now offering and suggesting improvements, at the end of the day, you believe very fundamentally that the people who should be making the decisions are the people that are elected to make decisions, and those are the politicians.

So at the end of the day, if I've heard you correctly, the commissioner and the commission, in whatever way it's set up—and you're suggesting it should be certainly not just one individual—ought to, in effect, report to the minister, obviously report to the municipalities, and if someone has got to take the responsibility, then it should be the provincial government through the minister making that decision. Is that—

**Ms Turner:** That's what I'm saying.

**Mr Silipo:** Okay. I would certainly agree very much with that, because it seems to me that that's how one exercises the responsibility that comes with elected office, not by shuffling it off to someone else and saying, "You go figure it out," and then we'll stand back as government or as ministers and just simply say: "We wash our hands of it. The commissioner has decided that this shall be done, so and so, and that's what will be done."

I think that's one of the things that we find fundamentally problematic with this bill: Where there are problems like that, where there are issues like that, the government seems to be quite willing to pass on to someone else the seeming responsibility for making those decisions.

Just to pursue this question of contradictions, I was interested very much in your analysis of the councillor liability issue, because of course one of the other things that exists in this legislation is that at the same time that the minister is giving powers to municipalities, for example on the user fees and on various other things, it's also holding for the minister, through regulation, the power to undo any of those decisions.

It's ironic that under the councillor liability section, where through a restructuring there's a potential for councillors to be sued by another municipality or by an individual resident and so be held liable for whatever actions they may have taken, there's no provision, of course, to hold the minister liable if he decides to stick his nose in and change a decision which he at first seems to be giving municipalities the right to make. I just thought I'd point out that other contradiction which I see in the bill. I don't know if you've looked at it in that context as well.

**Ms Turner:** No, I did not particularly look at it in that context. I looked at it in the context of not knowing. We looked at it in the context of, how would we know? We looked at it in the context of, how do you carry out the daily business of a municipality? I would just like to give you perhaps another very quick example. You could have a commissioner come down, he's got all the authority to do whatever, but the municipality really doesn't know either what that authority is or what those provisions are, what the regulations are etc.



You must understand that I'm dealing with this from a very blind spot, because we don't have the regulations. So I'm assuming and presuming just to draw some things to your attention that you may want to look at. But I guess what I'm saying here is that in dealing with the municipality, the municipality sits down and draws up a budget, for example, whether it be both in capital and operating, someone comes in—say, Mayor June—you've passed your budget, you're going ahead with it, and for some reason you could end up in the situation where you've contravened whatever it is that has been written. That could in fact put a municipality, I think, in a lot of danger for carrying out the services that it has to to the municipal ratepayers, because it may come to a point where (a) the municipal councils will not make a decision on anything or (b) the commissioner in fact is inundated constantly with requests to say, "Is this all right; can I pay my payroll this month?"

I think there are better ways of doing it just with a little bit of thought. It could be spelled out there if that is the route that it has to go.

However, I do think that it is an imposition, and if this kind of liability is going to be put at the municipal level, then quite frankly, I think—and in my life I try to create everything with fairness—that what is good for the goose should actually be good for the gander, so why not at every level?

**Mr Ernie Hardeman (Oxford):** Good morning, Madam Reeve. First of all, I'd like to address the issue of the amendments and the public consultation. Recognizing that the legislation does start off in the restructuring portion that it is a locally driven process, that the commission is appointed upon the request from municipal government, not at the direction of the minister—there was a lot of concern expressed during the hearings by people from the municipal sector that it should require further public consultation, consultation with the people, the ratepayers and the municipality. Obviously from your presentation you've not yet read the amendment, but it says the commissioner must consult with all the affected municipalities, must prepare a draft report, must provide the opportunity at public meetings for anyone wishing to speak to that, then must post the draft report and allow time for written submissions and then print a final report. Would that deal with the issue of getting public input into the process?

**Ms Turner:** It doesn't deal entirely—can I respond back to that in a way? A municipality can request an annexation or amalgamation with another municipality without the other municipality—point A, point B, you know?—knowing. So in effect what you've got here is a request, and according to what we're reading in the bill, no consultation, nothing.

I have to say, sir, I have a community that feels that there's a tremendous ownership in what they do—waste management, Lemoine Point and I could go on and on. Horrendous public meetings have been held with people, with input, and this is great, but you've got to know at what level this input will be used.

The other side of it is to come back and report to people at different stages so they can follow the process. They become part of it. They know what's going on.

**Mr Hardeman:** The other issue: The Kingston mayor suggested this morning that there should be a better way of defining locality as to a restructuring proposal, that it should not require the support of the upper-tier government and the lower-tier government in all localities, that a restructuring proposal should be able to contain just those area municipalities that would be directly affected by the amalgamations. Do you see a need to be sure that it is protected that those municipalities that are impacted from the municipalities leaving the structure are also informed that in fact it will change—in your case it would change the makeup of Frontenac county if there were some discussions ongoing with just Kingston township and the city of Kingston. Do you feel it's important to make sure that all those affected are involved, as opposed to just those that are going to be part of the change?

**Ms Turner:** Well, sir, I think they must all be involved, because I think you have to look very squarely at what a county does and how some municipalities, financially or whatever, support others. It is like a family, if I can put it that way, and if you can look at it that way and you find some family members that perhaps are in a business together and one leaves, what the impact would be on the business. I think you've got to look at it in that light. To take, for example, Pittsburgh township and Kingston township away without anything further being done for our northern municipalities, what we call our northern band and our middle band, and their islands, I think would be shameful. I think this has to become a whole picture.

1050

**The Chair:** Thank you, Mr Hardeman. Your time is exhausted. I believe Ms Smith wanted to table—

**Ms Frances Smith:** Actually, yes. I'm not going to spend a lot of time talking about my submission because I had my opportunity yesterday. I would like to just comment quickly on Ernie's comments, and that is, if particular attention is not paid to the restructuring of the south end in comparison to the north end, what in fact you do is you prop up one level of government and cripple the other. I don't believe that's the way the province of Ontario should be governed. I just want to leave these and thank you for your time.

**The Chair:** Thank you both for coming forward today and making your presentation to the committee.

#### QUEEN'S UNIVERSITY FACULTY ASSOCIATION

**The Chair:** May I please have representatives from Queen's University Faculty Association come forward.

**Mr Frank Burke:** My name is Frank Burke, and Grant Amyot is with me. We represent the Queen's University Faculty Association, which has recently become a certified bargaining agent. I will address some specific issues in terms of our association's response to Bill 26. Grant will deal with some more general issues.

The Queen's University Faculty Association would like to register its strong opposition to Bill 26 both on principle and in terms of the bill's directly negative effect on the QUFA constituency.



We oppose in principle, first of all, the process of Bill 26 prior to the intervention of the Liberals and the NDP: the attempt to rush through, with no public consultation or input, legislation which dramatically limits the powers of transfer partners and significantly reduces currently legislated rights, both collective and individual.

Secondly, we oppose the general thrust of the bill, which is to concentrate excessive power in the hands of a few, establishing government by fiat, particularly in terms of hospital and health facilities.

Third, we oppose certain specific components of the bill which violate principles which QUFA stands for and which have potential implications even if they don't apply immediately to our faculty.

Schedule J, the elimination of the proxy value method for determining appropriate salary levels for women employees: This will diminish or eliminate gender pay equity, a principle which we have fought long and hard for at Queen's. We also oppose the bill's transitional provisions, which in all likelihood will mean the pay equity raises for women already covered by proxy will be lower than they would have been under the existing law.

We oppose schedule H, the threat to universal health care posed by proposed amendments to the Health Insurance Act, as well as the ability of the Health minister unilaterally to alter or terminate the delivery of medical services and procedures.

We oppose the termination of existing agreements with the Ontario Medical Association with regard to representation, arbitration and other legal rights of physicians. I will come to that in a moment as an issue that specifically affects our constituency.

Schedule G: We oppose the elimination of neutrality in arbitration which will ensue if arbitrators are required to take into consideration an employer's ability to pay and the potential for reduced services when deciding on wages. This quite clearly forces the arbitrator to think as an employer rather than as someone weighing equally the concerns of employers and employees.

We're opposed to schedule K and schedule F, the significant diminishment in access to information currently provided under the provincial or municipal freedom of information and privacy acts. So on the one hand access to information is diminished, made more difficult for individuals, and on the other hand, in schedule F the Health minister is given unqualified discretion in collecting, using or disclosing personal information.

Finally, in terms of our general opposition, we're opposed to the elimination for public employees of pension rights they currently have under the law in the interests of facilitating privatization and downsizing.

In terms of specific reference to Queen's faculty, there are two major issues; first of all, the power to close hospitals without consultation or debate. Queen's is one of the oldest and finest universities in Canada and a significant part of its strength lies in its medical school. The medical school in turn is dependent on its pedagogical and practical links to Kingston General Hospital, to Kingston Psychiatric Hospital and to the Hotel Dieu.

We strongly oppose investing the Health minister with the unilateral power to eliminate hospitals, which could effectively destroy medical schools as well. We feel that

the Progressive Conservatives have not taken into consideration the educational implications of the health issue.

Second, we oppose the elimination of negotiating rights for the Ontario Medical Association. QUFA represents faculty physicians teaching and researching in the school of medicine. As an organization that supports the rights of professionals to negotiate, we strongly oppose this assault on the bargaining rights of our members.

In closing, we would like to point out three things:

First of all, Bill 26 far exceeds the stated intentions of the Progressive Conservative Party in both its Common Sense Revolution document and in the provisions of the Treasurer's economic statement of November 29, 1995.

Secondly, the bill seems to contradict the stated platform of the party in its unprecedented attacks on individual rights. It directly contradicts Premier Harris's photo-radar stance, which was the defence of privacy and of the individual. At the same time, in its arrogation of unprecedented power to the cabinet and its ministers, it seems a direct violation of the party gospel of less government.

Finally, to us, the bill doesn't make a lot of political sense. It's our observation that the level of centralization the bill would give to the government would have been unimaginable in Ontario without the precedent of the social contract. We feel that the social contract brought down the downfall of the NDP. We feel Bill 26 is far more extreme and we can't see how it will not have a similar fate in terms of the current government.

Now I would like to pass things on to Grant.

**Mr Grant Amyot:** Professor Burke has outlined some of the particular concerns we have about this bill, but as citizens we're also concerned with what it means for the population of Ontario as a whole.

One of the major issues which is raised by the presentation of this bill and the process by which it's being introduced and rushed through the Legislature is the question of what is democracy. It seems there are some who believe that democracy means that a party which receives 45% of the popular vote and a legislative majority then has the right to do more or less what it pleases for the next five years, whether that was in its election platform or not, with only a minimum of public consultation or parliamentary debate.

Our view, on the other hand, is that democracy means public policy should be made by the elected government after full debate in the public, with interested groups, in the media and in Parliament. We see this bill as a very bad sign for the future of parliamentary democracy in Ontario.

The Conservative Party, in one of its first acts, restored the oath of allegiance to the Queen for police officers. Many of us thought this was quite an appropriate act, but when it comes to the substance of our British parliamentary and democratic traditions as opposed to the forms and outward trappings, it seems the government is moving in the opposite direction. This is a bill which will concentrate more power in the hands of the cabinet, remove more issues from the open debate between government and opposition, between elected representatives of the people in Parliament, and instead, shield them from this essential element of the democratic process.



More particularly, this bill contains measures which remove several decisions from the public and political arena and instead place them in the private sphere. We can see this, for instance, with respect to the deregulation of drug prices. We see it with respect to measures that will facilitate the privatization of government services. In this way they are limiting the scope of democratic decision-making in Ontario.

Second, the bill contains provisions which will shield many of the decisions that do remain in the political sphere from public debate and scrutiny; for example, the power of the minister to order hospital closings and to direct in a fair degree of detail how hospitals shall carry on their business, and the provisions restricting freedom of information which will make it harder for the public to find out about the background for many governmental decisions.

Third, this bill will allow the government to reach certain important decisions having to do with public spending, in particular having to do with the salaries of public sector workers, without the public process of negotiation with the representatives of those workers, as in the case of doctors, or will weaken this process of negotiation.

1100

There used to be, in the very old days, a maxim that the Queen does not negotiate with her subjects, which was taken to mean that public sector workers had no rights to negotiate their terms and conditions of employment. This view has been superseded today of course by the view that public sector workers have the same rights as workers in the private sector to fair treatment, to organize, to negotiate their own wages and conditions of work.

This principle was undermined in the first place, as Professor Burke has pointed out, by the New Democratic Party in the social contract, and we haven't forgotten that, but this bill goes much further. The introduction of the ability-to-pay criterion for public sector arbitration is a significant limitation on the bargaining rights of the workers in those sectors that are targeted.

It's been a long-standing maxim of arbitrators that "public sector workers should not be expected to subsidize the community through substandard wages and working conditions." It's obvious that if the ability-to-pay becomes a criterion in arbitration, it will be easier for governments to reduce their own ability to pay through tax cuts or other spending measures and thereby put downward pressure on the wages of their own workers.

In many of these areas, the police, the fire service etc, there is no true free labour market. The number of buyers of labour is restricted and entry into the pool of workers is also restricted—there are stringent qualifications—and in any case, it has been quite correctly determined that it's not in the public interest to allow these workers the right to strike. Therefore, the interest arbitration system was set up as a kind of simulacrum of the collective bargaining process that occurs in the private sector.

This is how arbitrators understand it. It's not intended to be a system which gives public sector workers richer settlements than they would've got if there had been free collective bargaining. The stated principle used by arbi-

trators is the replication principle; that is, the award they make is intended to replicate the settlement the parties would've made if they had engaged in private sector style collective bargaining. Therefore, any limitation on this principle is an attempt to push the public sector workers into a substandard position vis-à-vis private sector workers. Of course, the attack on the OMA's rights to negotiate for its members is part of the same.

Finally, there's a fourth way in which this bill tends to remove important policy issues from public scrutiny and thereby undermine the quality of democracy in Ontario. This is the centralization of power in Queen's Park and the removal of certain powers and autonomies from the transfer partners of the provincial government.

It's our view that while local autonomy cannot be used as an excuse for indefinite obstruction of necessary reforms, nevertheless, in general those directly affected by decision-making should be the ones to make those decisions, and in certain areas those with the expertise should be the ones to make those decisions. For example, doctors should be the ones to make medical decisions; similarly, university faculty must be the ones to make academic decisions. While universities as institutions are not directly affected by this bill, nevertheless, we see it as a very disturbing sign, as Professor Burke said, of a tendency towards centralization which we would strongly oppose were it extended to our own sector.

This is a statement from our provincial organization which sums it up very well. "We have become increasingly concerned about initiatives taken by former Ontario governments which threaten to undermine university autonomy by enhancing centralized bureaucratic regulation."

While Bill 26 does not directly alter the underlying structure of publicly funded autonomous universities, it does suggest a trend, particularly with respect to health care services, which threatens to undermine the existing relations between the government and all transfer partners. We see this as yet another aspect of the bill's drive to undermine and limit the scope and quality of democracy in Ontario.

**Mr Silipo:** Thank you very much for the presentation. I appreciated very much your comments around the process and reminding us that discussion about the democratic process, particularly when one has a majority government, is not just an academic discussion, if I can use that phrase; that something very fundamental has been breached when a government assumes that simply by virtue of winning a majority, it can then unilaterally make changes without any reference to what people may want or what people may think about the actions.

The point we have been making is that the government has the right to govern, has the right to pass whatever laws it deems appropriate, but that does not give it the right to bring in a bill, particularly a bill like Bill 26, and expect that it should get passed without any public input, any public hearings, just because they won the election on June 8.

As we've gone through these hearings, I was hearing that kind of defence from the government members in the early days. I think it's fair to say they've toned down their defence on that point, because I think they've realized as we've gone through the hearings that there is



a legitimacy to the process we are following that allows people to come forward, raise concerns they have with this legislation and hopefully have the government respond by way of amendments, if not by withdrawing some of the basic areas of this bill that we believe are fundamental.

One of the particular points you raise, and I'm going to raise this by way of example because I think it applies in a number of other actions the government has taken, is the elimination of proxy pay equity. I don't know that it necessarily affects people in your sector, but I wanted to flag the point you're making because it seems to me to be typical of what this government is doing. Through this legislation it is eliminating the right to pay equity for 100,000 of the lowest-paid women in the province, which is, among other things, now resulting in the absurd situation whereby some women will continue to have pay equity and others will not, and those who will not, ironically enough, are going to be those who are the lowest-paid. It seems to me to be typical of what we've seen from the government of hitting hardest those who are at the lowest end of the wage scale.

I don't really have a question for you, but I wanted to flag that point, because it's something with respect to pay equity that in my view we haven't talked enough about in this committee. Interestingly enough, yesterday in Ottawa we heard for the first time from the government side that they have intentions to replace the proxy pay equity with something else, but they haven't told us what that something else is. They're saying again: "We're the government. We have the right to do this. We're going to do it and we'll let you know later—maybe—what it is we're going to do."

**Mr Amyot:** I agree that it's a most serious attack on the worst-paid. It seems to be of a piece also with the attempt to compress wages and costs in the public sector, since it's largely people in the broader public sector who are involved in this proxy exercise. It may be that improvements could be made in the proxy process, but the objectives must be maintained. Day care workers—it always amazes me that people choose to go into day care teaching, given the tremendously low wages paid in that sector.

**Mr Silipo:** They certainly don't do it for the money.

**Mr Amyot:** Exactly. A large number don't have a union either, they're in such small workplaces, so this is almost the only tool they have to improve their conditions. To take it away would be a real crime, I think.

1110

**Mr Terence H. Young (Halton Centre):** Are you both professors? Are you doctors also?

**Mr Burke:** Yes.

**Mr Young:** Medical doctors?

**Mr Burke:** Not medical doctors, no.

**Mr Young:** Okay. I want to comment on your concerns about the democratic debate. With regard to the hearings, our House leader, Mr Ernie Eves, met with the House leaders from the two opposite parties in December. There was discussion, there was an offer put on the table for 360 hours of hearings. I wasn't there. The members opposite weren't there. The discussions broke down.

There was civil disobedience in the House and we're here.

*Applause.*

**The Chair:** Order, please.

**Mr Phillips:** Stop telling lies about us and we won't tell the truth about you.

**Mr Young:** On a point of order, Mr Chair: That was unparliamentary language. Mr Phillips has accused me of telling lies. Mr Phillips has called me a liar, for the record. Will you withdraw it?

**The Chair:** Would you withdraw that accusation, Mr Phillips?

**Mr Phillips:** I'll withdraw what I said, but not what I think.

**Mr Young:** When we're done, we will have heard over 300 delegations in 12 cities. We will have made amendments. Eight amendments were tabled yesterday. We are really listening. We are addressing people's concerns. Some vested interests, no matter what changes we make, will not be happy with the bill, and we accept that too.

The key planks in our platform were to create change in Ontario by restructuring, to cut government spending by 20%, to cut personal taxes by 30%. We said there will be 13,000 fewer civil servants. We said we would do what we had to do to get Ontario back on track, and we're doing it. In a multiparty system, 82 out of 130 seats is a massive majority, so we're carrying out our mandate.

*Interruption.*

**The Chair:** Order, please. Mr Young has the floor. I'd appreciate it if you'd allow all parties to ask their questions.

**Mr Young:** When you live a society and you believe in free speech, that means everybody gets a chance to speak.

With regard to our health care system, we know that one out of four seniors admitted to hospital is over-medicated. We know that 70 communities in Ontario don't have doctors. One community even offered \$60,000 in bonus pay and they couldn't get a doctor to go to that community. This is a problem that's been around for 15 to 20 years and the previous governments refused to deal with it. We know there are 6,700 empty hospital beds in Ontario. If you put them all together, you'd have 30 medium-sized hospitals sitting empty. We're trying to deal with these problems. We have to deal with these problems.

We have cut administrative costs in hospital spending. We've reinvested it: \$16 million in heart surgery; MRI, a medical service superior to X-rays, we've added to 23 communities, which is already available in Kingston; kidney dialysis will be available everywhere in Ontario, and it's already available in Kingston.

It's hard to get good news out sometimes when you're government—we accept that too—but we've added 140,000 low-income people, working poor, to the Ontario drug benefit plan. I imagine some of them will be in Kingston.

We're reinvesting the health care administrative costs we're cutting—



**Mr Burke:** Could we have a question out of this instead of a campaign speech?

**Mr Young:** Excuse me, sir, this is my time. We're reinvesting the administrative costs we're cutting out of health care. You made a statement that there was a threat to universal health care. We're working very hard to preserve—

**The Chair:** Mr Young, we've come to the end of the time for the government's response. We now must move to the opposition members.

**Mr Phillips:** You're probably familiar with the document the Common Sense Revolution. The member just said that's what they ran on. What they promised was no new user fees; this bill imposes user fees. They ran on no cuts to health care; it cuts \$1.3 billion out of the health care system. They ran on a program of fairness to firefighters, police and hospital workers; this bill imposes arbitration that exists nowhere else. They ran on a program of support for the classroom; this bill guts the classroom. They ran on the program that tuition fees will be allowed to rise slightly over a four-year period; this bill imposes a 20% tuition fee increase on students in universities.

**Mr Young:** There's nothing in this bill about tuition fees.

**The Chair:** Mr Phillips has the floor.

**Mr Phillips:** Excuse me. You said the other day that this bill implements this document. This document, the one tabled on the same day as the bill, calls for a 20% fee increase for university students. You're trying to mislead the people of Ontario if you say that's not the case.

My question to the faculty is this: Is this the platform they ran on in the bill, if it includes all the things they said they wouldn't do and now are doing with this bill?

**Mr Burke:** Obviously, the answer to your question, and it's included in our presentation, is that the bill far exceeds anything they claimed they were being elected to do.

We're not here to get in the midst of a competition between political parties; we're here to represent the interests of our members. But one strong point that has to be made, and probably the principal reason we're here, has to do with process and democracy. It doesn't matter by what majority a party is elected; it's elected to represent the people, not to ignore them. I think the implications of that have been reversed in terms of what's happened with this bill.

**Mr Cleary:** I would like to thank you for your presentation on Bill 26 and how it will affect your university. I met with a group of secondary teachers recently on Bill 26 and they shared a number of your concerns. They tried to come before this committee but were refused.

The government's giving municipalities authority over school boards will compromise the quality of our children's education, based on how much the municipality can spend. While all members of the committee realize that in order to reduce the deficit you have to control costs, do you agree with members of OSSTF District 21 who suggest that cost containment should not be the number one concern guiding those responsibilities for educating Ontario's students?

**Mr Amyot:** Obviously, we agree with the thrust of that statement. If you want a general comment on educational policy, we feel that education is crucial to the future economic health of the province, that it's an investment in the future. I'm sure MPPs on both sides of the House know industry jobs are becoming much more knowledge-intensive. People need higher and better skills, and to underfund in any way any level of education—

*Interruption.*

**The Chair:** Pardon me. That's not allowed. We'll have a 10-minute recess.

*The subcommittee recessed from 1119 to 1128.*

**The Chair:** We've come to the end of our 10-minute recess.

*Interruption.*

**The Chair:** Order, please. Ladies and gentlemen, by the rules of the Legislature I am unable to continue proceedings when there are banners and demonstrations like that in the room. I would appreciate that being taken down. We had two minutes left for the Queen's faculty. They have deferred that, so we will now go on to the next witness.

## BUILDING A STRONGER INVOLVED COMMUNITY

### SISTERS OF PROVIDENCE OF ST VINCENT DE PAUL

**The Chair:** I believe we have in front of us representatives from Building a Stronger Involved Community.

**Mr Rob Hutchison:** My name is Rob Hutchison. I'm representing BASIC, which is Building a Stronger Involved Community, a coalition of individuals, agencies, organizations and labour locals committed to giving leadership to our community in challenging governments and corporations biased against middle- and low-income people, and enabling justice, equity and dignity for all. I'm accompanied here by Lucy Myers, who will speak later to more general remarks.

Members of the committee, we are speaking here on behalf of BASIC. The first part of my presentation involves the effect on democracy and democratic process. First of all, we are deeply concerned about the nature and makeup of Bill 26 as an omnibus bill which seeks to subsume significant changes to a number of government acts under one legislative action.

A democracy, if it is to be run with proper regard for its citizens' opinions and interests, needs to allow its citizens the time and opportunity to understand and debate the merits of the specifics of proposed legislation. This is especially so in the current case when the acts being amended cover diverse areas of public interest, from health, pay equity and privacy to natural resources.

In democracies it has been found that checks and balances, such as divisions of power, levels of government with different powers and legislative methods encouraging due consideration, are a necessary part of curbing actions that turn out to lead to unintended consequences. In its presentation and overarching intent, Bill 26 threatens to disrupt these checks and balances and lead us too quickly down a road of which we do not know real destination.



It is also one of the lasting principles of democracy that the law not be held over the heads of the people; that is, that when a law is proposed, the people are able to clearly understand its meaning, implications and means of enforcement. Bill 26, on the other hand, has many unclear implications on a number of fronts, partly because it continually refers to a number of acts not cited in context and partly because it removes, confers and amends powers in a variety of different ways to a variety of different bodies, and partly because the minister in question and/or the cabinet are given significantly increased and open-ended residual powers applicable in a wide number of different and indeed new circumstances. Indeed, the act allows individual ministers and/or the cabinet alone to gain unprecedented powers which can be used to circumvent the powers of other elected members of the Legislature, including members of the government's own party, without recourse. The act opens up the possibility, as no other single piece of legislation, to government by executive fiat.

For example, in regard to schedule M, amendments to the Municipal Act, the act supplies no scheduling of provincial funding to municipalities. By failing to do so, and leaving funding open to arbitrary ministerial decision, it ends the predictability of funding for municipalities and thereby makes coherent financial planning and governance extremely difficult. The act severely tilts the power balance of partnership between the province and municipalities towards the province.

For example, the act allows for the municipal levying of user fees and licences, but gives the minister unrestrained review over these sources of revenue. In this area, the minister may make up any regulations he wants and apply them retroactively. This is a recipe for financial chaos at the municipal level.

Municipal law lawyer George Rust-D'Eye has been quoted recently as saying that he "has never seen a statute that gives regulatory power to a minister. It is usually given to the cabinet. Here [in the act] it is given to the minister without requirement to consult or give notice. As well, a [ministerial] regulation would take precedence over any legislation." He said, "I've never seen anything like this."

Another lawyer points out that this provision for arbitrary power puts an end to the rule of law, which in part holds that it is a case of simple justice that people or bodies should not be held to compliance with new rules or laws retroactively. For how are municipalities to know what they can or cannot do, how can they plan effectively, if those actions may be arbitrarily changed by a minister with retroactive consequences? This kind of provision practically invites the advent of political paralysis in municipal governments.

Bill 26 grants even greater arbitrary powers to the minister. For example, there are at least six cases in the Municipal Act section of Bill 26 where powers are granted to the minister "despite any act." The Minister of Municipal Affairs and Housing has stated that such provisions are not unusual. However, again, George Rust-D'Eye says that in the current Municipal Act he finds no instance of where the minister is permitted to make regulations.

As a further example, Bill 26 also allows the minister to dissolve a municipality. Previously this required an act of the Legislature, where such a potentially far-reaching decision might be properly and publicly scrutinized.

The act does not permit citizens or other bodies the right to appeal a minister's decision; for example, to the courts.

The act allows the minister the power to defer and stay any application to the Ontario Municipal Board—traditionally the body of appeal in planning decisions for citizens and businesses—without appeal to anyone except the minister himself.

Under the act, the Public Utilities Act is amended such that a municipal corporation may pass a bylaw which might, for example, allow it to take over the local public utilities commission without obtaining the democratic assent of the electors. This issue is of special concern to Kingston citizens as they have at least twice voted not to let city council take over the public utilities commission. A majority of citizens felt that they were voting for a fiscally prudent position. From a Kingston perspective, it is strange that a government dedicated to fiscal responsibility should change the law to make the process less democratic and quite possibly less fiscally prudent.

The committee might wish to reflect on the likely outcome of such a set of provisions that do so much to centralize power and authority in one person, and jettison so much of the intent and practice of previously constituted process. For under the new proposed changes there is no truly and properly constituted process. The minister rules, period. It is a set of circumstances that invites patronage and favouritism for it has no process and no appeal system. The changes in the Municipal Act may have the appearance of efficiency, they may have the appearance of effectiveness, but in fact in their urgency to be efficient these provisions will make for an unwieldy system, top-heavy in responsibility and accountability, and tending to lead to an increase in incoherence and paralysis in municipal government.

What is more, politically, as so often happens with such top-down hierarchies, the minister will become a lightning rod for multiple grievances and disputes as appeals of every type end up in his office. There will be no way to deflect responsibility or take greater time for consideration. The minister alone will be accountable for uncountable decisions, many remote from his offices but, by the act, open to his intervention, his decision, his accountability for municipalities, bodies, agencies and citizens. For by these changes the buck stops with the minister. But, as the committee's members know, politically the buck will not stop with the minister. For example, if somebody wants something in your riding and it turns out the minister has already made a decision about it and you have to appeal it, his political neck is on the line. Where does that leave you?

In short, Bill 26 attempts to do too much, too fast and without the due consideration that its many parts need and deserve. In order to maintain the integrity of the democratic process, BASIC calls on the government to divide Bill 26 into its constituent parts, at the very least in terms of the Health Insurance Act, the Pay Equity Act, the Freedom of Information and Protection of Privacy



Act, and the Municipal Act. In this way the constituent parts may receive proper public and legislative consideration and citizens may properly understand the implications of the bill.

Speaking to the merits of the bill, we call on the government to realize that a number of the parts of Bill 26 are ill-conceived and will have perverse consequences unless revised. Those parts will tend not to lead to greater efficiency but inefficiencies and paralysis at the local level. Politically, they will tend to lead to greater unnecessary political unhappiness and troubles for the government. This is what BASIC considers to be a minimally democratic and efficient approach to Bill 26.

BASIC is a coalition and I've agreed to do three testimonials, very brief, on behalf of three different organizations that asked me to do so. I think I said two; it is three there.

1140

Kingston Private Home Day Care questions the effects of the changes to the Pay Equity Act. They point out that under these changes there will be no avenue for those in traditional female jobs to address pay equity issues, that for those in their private situation they will no longer have the proxy male comparator method against which to consider their pay levels; it's repealed in the act. The result will be that there will be a large discrepancy between wages in the municipal area and those in the private area and that the changes will only make an unfair situation worse. They also point out that the day care system is in jeopardy and that, with the threat that per diems and purchase of service will be cut, day cares are in danger of closing. As day care supplies the means by which people may get and continue to work and helps people get and stay off social assistance, they strongly request that the government positively address these issues.

The Kingston Preschool Centre, a children's mental health centre, agrees that the deficit must be addressed but argues that it is false economy to underfund a centre-based child care system, as future costs will be much greater. For example, they point to the Perry Preschool Project in the United States, which with a control group and a 25-year follow-up study concluded that quality centre-based child care resulted in a benefit-to-cost ratio of 7 to 1 and savings of \$95,000, with the child care group having better employment, better school completion, less crime, less teenage pregnancies, and less drug use results than the non-child-care control group. They also point out the benefits of child care for improving employment potential. They ask, "How will public expenditures be reduced if parents' education towards employment or actual employment is terminated because affordable quality child care is no longer available to them?" They ask government to maintain its child care funding.

Graduate Students' Society urges the committee to extend consultations so that the public issues involved may be 'unpacked' in a more meaningful manner. They point out that as a diverse group of service consumers, taxpayers and future service and professional sector workers, they are affected by these cuts in a multiple of ways that need to be properly evaluated.

**Ms Lucy Myers:** My name is Lucy Myers. I am a member of BASIC and a member of the Justice and Peace Committee of the Sisters of Providence of St Vincent de Paul. Thank you for allowing us to speak to you today.

Michael Harris will probably go down in history as a major significant agent of social change. At the moment, the impact of his Common Sense Revolution has been negative. It is hurting the most vulnerable and weak, those without power or control in our society, namely women and children. You, the government of Ontario, have the power to turn that around today. You can let the Premier know that he can go down in history as a positive agent of social change. His policies so far have shocked, have forced us to do a reality check. The rich are getting richer and the poor are getting poorer and the social safety net has great, big, gaping holes in it. The middle class is disappearing. But we also know we cannot take any more cuts and we know that Bill 26 can impose sweeping, fundamental and irreversible change on us and we will have no avenue of recourse.

The Sisters of Providence of St Vincent de Paul used to go out and beg for money for food for the poor. Today I am begging once again on behalf of the poor and marginalized: Please slow down. The enormity of what is happening is so extreme that some people are in shock, others in denial. A sense of desperation is seeping into our collective consciousness. Please consult with people before proceeding with this bill. Please listen to us. There are imaginative, creative people out there who have alternatives to the policies you are proposing that will not be as devastating.

We are being given a wonderful opportunity to create something new, a new way of being in Ontario, a new way of being with one another based on community rather than individualism, based on sufficiency instead of growth, based on sharing instead of hoarding and stockpiling. Can we work together and develop new economic and social strategies for creating employment? How do we develop a new vision of work, new patterns of work in a globalized and high-tech age? Could we put people first, before profit?

The process has already begun here in Kingston. We are organizing; we are helping each other. Charitable, religious and community groups are coming together to dialogue, share resources and to just be in solidarity with those who are hurting.

An economic system that creates affluence is the same system that creates poverty. I believe the reason the government of Ontario is so upset with the people of Kingston who have come out to demonstrate is because the people are voicing this important truth. They know that rampant social spending is not the cause of the debt and the deficit. It is high interest rates—

*Interruption.*

**The Chair:** Order, please.

**Ms Myers:** It is high interest rates and tax cuts to corporations and wealthy individuals. They know that all spending is a matter of priorities and political choice, and the Ontario government has chosen to put the heaviest share of spending cuts on the poorest and most vulnerable people, just as it is choosing to cut taxes for the rich.



Since November 1995, we have been holding a silent vigil every Friday from noon to 12:30 to be in solidarity with people who will be hurt by Bill 26. Last night we got together for an hour and a half of community and interfaith solidarity. We are talking about ways of becoming less dependent on government, but we are afraid of deeper cuts. We are afraid that we won't be able to cope if the government takes away any more from us or sells our housing projects to private companies or banks, which can and likely will increase the rents, as there will be no controls. We are begging you to be the political party that is willing to be the protector of society against the market economy, which is more interested in creating a favourable climate for business than for the people.

We agree with the Catholic Bishops of Ontario that "the provision of economic security for the unemployed, the impoverished, the displaced and the afflicted is a civic and religious duty to which we are all bound. Love and compassion must be given as much consideration in decision-making as fiscal and economic considerations."

The government says it is up to charities and the local and faith communities to look after those in distress, but you never talk to us about it. We say government also has to share the responsibility. We do and continue to do our part, and we are begging you to do your part by scrapping the omnibus bill and starting over.

Your economists justify giving tax breaks to the rich, saying that they will stimulate investment and consumption and eventually benefit the whole economy, including the poor. High-income people generally do not spend their money locally or on things that stimulate the economy as a whole. They take a foreign vacation, they buy luxury goods or they invest their money, more and more often outside Canada.

We have distributed a petition asking the members of the Legislature to withhold approval for any tax rebate until the causes of poverty and unemployment are dealt with effectively—

*Interruption.*

**The Chair:** Order, please.

1150

**Ms Myers:** —and until the province's debt and deficit are paid down.

To top it all off, high-income earners pay the same price for a loaf of bread and a litre of milk.

The single largest group that will be hurt by the cuts are children. Children make up about 40% of all social assistance beneficiaries. So please slow down for the children's sake.

Single mothers are one of the poorest groups in Canada. Single mothers on social assistance who do not have paid employment are hardly "doing nothing." They are caring for and raising children at a tiny fraction of what it would cost to pay someone other than a mother to do it. The most common reason why single mothers can't get off social assistance is the lack of affordable child care. Your government is cutting child care, which will make it even harder for single mothers to work.

The Sisters of Providence of St Vincent de Paul have long walked with the poor, providing health, educational and social ministry to the people of Kingston, and they

continue to do so. It is because of this desire to be compassionate and caring that we offer these thoughts.

Yes, you do have a mandate to govern, but not at the expense of the democratic process. The citizens of this province are denied a voice in issues that directly affect them. We do not believe that your mandate relieves you of your responsibility for the poor and vulnerable, the hungry and homeless, people in crisis, or those in on-going need. We do not believe that your mandate allows you to ignore hungry children or battered women, offenders in family violence, the mentally ill and the disabled, prisoners returning to the community, single moms and the elderly. We do not believe that your mandate allows you to hand over the job of looking after the most vulnerable without any consultation.

The secrecy that surrounds Bill 26 breeds fear and distrust. I wanted to read the bill, but I was told a copy would cost \$600.

The speed with which things are proceeding frightens and alarms us. The desire to put the books in order is admirable, but this is only a very small aspect of a very complex political and economic system which has run out of control, with no apparent concern for the people and their values, and also without a mechanism for evaluation.

Do you have the courage to put a halt to the bill, allowing time to talk about it, to listen to creative, imaginative alternatives which are out there to the debt and the deficit problems, but which would also get at the root causes of poverty and hunger, homelessness, oppression and suppression?

Who are you serving? It used to be that government was for the common good. The government protected the weak and the powerless from the oppressor. We beg you to take back your role as protector of society. Thank you.

**The Chair:** We have two minutes per caucus for questions.

*Interruption.*

**The Chair:** Order, please. Thank you. We have inside of two minutes per caucus for questions, starting with the government caucus.

**Mr Sampson:** I really appreciate both of you coming to make a presentation to us today.

I can't say that the government here is trying to unravel the social fabric of society.

*Interruption.*

**The Chair:** Order, please. Please allow questions from all three parties. I'm going to have to recess if you don't—

*Interruption.*

**The Chair:** Order, please. I don't want to have to recess again. Order, please. Can we please have time for each caucus to make presentations.

*Interruption.*

**The Chair:** Order, please. Order.

**Mr Sampson:** I think what we're trying to do in this particular piece of legislation, the work that we've done to date, is to establish a basic economic and social fabric that we as Ontarians can all afford and are prepared to live with. If things had been managed properly in the past, why are we in this mess financially? So we're listening to your comments and your concerns, but you



know, the cuts that we've had to make are not something that's pleased any of us on this side, or anybody in the Legislature, but we feel it's necessary to do some reorganizing to change the status quo, because the status quo, in our view, is not going to allow us to continue on in a society and to pass an Ontario to our children and to our children's children that we had. I want to let you know that we are listening to your issues and your concerns.

**The Chair:** Thank you, Mr Sampson. Mr Phillips? Mr Sergio.

**Mr Hutchison:** Excuse me, do we get to reply to that?

**Mr Mario Sergio (Yorkview):** Thank you very much, Mr Chair.

**Mr Hutchison:** Excuse me. That was not a question. That was a statement.

**The Chair:** They can respond or ask questions.

**Mr Sergio:** They are allowed to do that. As long as they spend their two minutes, they can spend them any way they want.

But let me say that I have very much enjoyed your two presentations, perhaps more especially than all the others because the two of you come from the heart and soul of what the community is and should really be, and I know especially from St Vincent de Paul because I have done quite a bit of work and I know the work that you do.

Let me say this before I come to my question, if time allows. Before the election, Mr Harris said, "We are going to give you less government and we're going to be a much more open government and we are going to be a much more accountable government." Bill 26 represents none of that. As a matter of fact, it totally changes the face of government, especially the democratic process. If Bill 26 doesn't do that, then I call it the sorry Tory story.

My question to you is, if the will of one to the will of a few can be imposed on so many—first to you, Mr Hutchison, and you spoke so well on behalf of Building a Stronger Involved Community, and to you, Ms Myers—what will this do to our society if the powers given to the ministers under this bill were to be approved on January 29?

**Mr Hutchison:** I think that, other than what I've said already in the brief, allowing these kinds of powers to go to ministers or just cabinet and to narrow the focus of power will lead to a great deal more frustration and social unrest. I don't see how it can do otherwise, partly because, as I said, it will lead to inefficiencies, to ossifying of the political process, and I think that it can't be healthy or even efficient for government to run like that.

I think that's clear. I don't see that there's anything else to say other than that it should not be done like this and that there are other ways—we know there are other ways; we don't have to invent them, they're already there—and they can turn out to be just as efficient and probably more efficient because they won't have so many unintended consequences.

**Mr Silipo:** Thank you very much for both of your presentations. Given the short time, I won't repeat any of the points that you've made, but just simply say this. One of the basic reasons why the Tory government is doing what it's doing in terms of the cuts it is making across the province is because it needs to find, in its own numbers, \$5 billion—we think closer to \$6 billion—in

order to pay for the 30% tax reduction. That 30% tax reduction will benefit the most those who are already well-off. To use your phrase, the rich will get richer and the poor will get poorer.

**1200**

When we look at the way in which that rebate is going to be spread out, there are about 15% of Ontarians who make over \$85,000. That 15% of Ontarians will get back, through that tax cut, 40% of the value of that tax cut, or some \$2.5 billion, and the other 85% of Ontarians will have to share the balance. When it comes down to people who work in the organizations that you represent or who are served by those organizations, they will see very little proportionately, especially when you look at what they will have to pay on the other side through increased user fees and other taxes.

I guess my one question to you would be this: Do you think people, when they voted for Mike Harris on June 8, realized that the results of their Common Sense Revolution would be to fundamentally shift the wealth and the power in this province the way we are seeing it happening now?

**Mr Hutchison:** No. I think what you see in Ontario is a great deal of anger and resentment about the fact that over the last 20 years, but certainly in the 1990s, real wages have dropped. In the 1990s, real wages have dropped by 8%. We have seen figures that are showing the debt load of most families is critical; 89% of available income, I believe it is. That means people are scared. That's why they voted for this government, because they wanted some kind of change. It was blind, and they had some responsibility for that. But they haven't been led well, they have not been informed well, and for that I can't blame them. The corporate media has a great deal of responsibility in misleading the population on this issue.

**The Chair:** Sorry to interrupt, but we've come to the end of your half-hour. We still have two presenters to hear. I want to thank you both for coming forward today to make your presentation to the committee.

## CANADIAN AUTO WORKERS

**The Chair:** May I please have representatives from the CAW come forward.

**Mr Buzz Hargrove:** Thank you, Mr Chairman and members of the committee. I'm Buzz Hargrove, national president of the Canadian Auto Workers union, and with me is counsel to the CAW, Catherine Gilbert.

I start this morning by reminding the committee members, especially the government side, that we heard a lot of talk during the election campaign about common sense and less government. I would propose here today that we have seen very little of any common sense since your election and we have certainly not experienced less government for the vast majority of the people of Ontario. There's more government in Bill 26 than any other bill that's ever been presented to the Parliament of Ontario; more government that governs and takes away power from those in society who have the least power today and transfers it to those in society who already have too much power today.



So when you talk about less government, it's less government for the powerful, it's less government for the business community—the mining industry, for example, to close down mines without regard for the impact on the environment—it's less power for arbitrators to look at the real issues that face public sector workers. It's less power for community groups that can't afford to use the public services if they have user fees. It's less power for seniors, who find that drugs are going to be deregulated under this bill; and copays for drug payments, drugs for people who need them, the elderly. Every study that's ever been published in this country and other countries around the world has talked about the need of the elderly for drugs, yet this bill attacks the elderly. It attacks the lowest-paid group of people in our society, women, in the public sector by dismantling the terms of pay equity that allowed the commission to look at, in a responsible fashion, comparable work outside of the jurisdiction, outside of the workplace. It just goes on and on and on.

I'm not going to try to deal with every issue, but I do want to say as clearly as I can today, as a citizen of this province for over 30 years and a bargainer for our union for almost all of those years, that this bill, in and of itself, is an affront to the democratic process. With the greatest of respect and not a put-down to even the government members, but out of my experience I would argue this morning that the government members couldn't possibly understand the terms of the bill that's before the House that we're going to push through in the hearings that end today. It's absolutely impossible for people to understand this bill.

If General Motors were to present this kind of change to our collective agreement, which is impacting a lot less people and is dealt with by 30 members of a bargaining committee, and give us 300 hours to study it, you would be guaranteed there would be a strike. If we were to submit, as a union, the kind of changes you're proposing here and give General Motors 300 hours to study it, you could guarantee there would be a lockout.

I read the Toronto Star this morning. I read the Globe yesterday that talked about a number of amendments—amendments, I would say, that more than change the focus of the bill or the intent of the bill but strengthen the anti-democratic parts of the bill which say that the commission that's in place now that has the ability to close hospitals without consultation with the community only has the next four years to do that. Well, everybody that's there understands that's the term of office.

Most dictators that take over Third World countries say: "We're only going to be dictators for X number of years. Then we're going to move to the democratic process." The idea that somehow you can have the power of an administrator to seize control of a hospital for the purposes of closing it down away from the democratic structures that are in place through hospital boards and community boards, and then somehow say you've made a major concession by saying you're going to give 30 days' notice before you close down the hospital is, again, an absolute affront to democratic procedures.

I would argue that this bill should be scrapped, as other people have said here this morning before me, and proper public consultation take place. If changes are

required to deal with the problems of Ontario—and we have real problems; problems of debt and deficit are real—but to do it in this fashion or to pretend to deal with it in this fashion is not only anti-democratic but is dishonest. For somehow the government to say to us, "We are going to cut social spending by \$8 billion"—and parts of this bill are part of cutting social spending and cutting away, taking away the rights of so many groups in our society—"and at the same time we're going to pass on \$5 billion or \$6 billion in tax cuts to some of the wealthiest people and the better-off people in our society" and to somehow equate that to cutting of the deficit, I would submit, with great respect, is at best dishonest.

It's interesting that the government can ignore the fact that for the second year in a row the banks in this country have announced profits of \$4.3 billion last year and \$5.18 billion this year; that the CEOs of the banks were all in a mad race last year to get to \$2 million in income from the banks through their salary and bonuses, and this year they're all in a mad scramble to see who can be the first to reach \$3 million.

1210

Then this morning I pick up the paper and I read where the new environment, the new Ontario, has the banks now setting up a new comfortable structure for the wealthy people who come into the banks, where they will have this wonderful place to sit in comfort with sofas and all of the amenities that go with the wealth and power of the people in our society that Mr Silipo talked about, the 15%; they will have the special privilege of getting this kind of service while the rest of us have to line up at the teller or, more likely, at the automatic banking machines as they continue to reduce tellers.

For us somehow to watch this happening and say in good conscience that we can take money away from a single mother on welfare who's trying to live on \$1,300 a month to feed and clothe and educate her children, to cut her income by \$300, at the time these people are living in such incredible wealth and the improvement in that wealth is growing rapidly, increasing every year, at a time in the development of our nation when the wealth we're producing today is so much greater than at any other time in the history of our province and our country—for us to say to the neediest groups in society, "You no longer can enjoy the basic elements of a democratic society," which is shelter, food and the ability to clothe and educate your children, I would submit, is an absolute disgrace and something I, as a human being and an activist and being involved in the political system all of my adult life, never believed I would ever see in this province or this country. I quite frankly am not very proud that we're seeing it.

I'll conclude my remarks this morning by emphasizing that the cornerstone of a democracy is public input and public debate. I would submit that when the people of Ontario voted in the last election and elected 82 people, which is a significant majority, as the member mentioned earlier, they did not turn over to a group of 82 people the social, economic and political agenda for four or five years. They turned over government to these people, and government in a democracy means consultation and input, especially with those people who are affected by the



changes. There's no justification, and you wonder about the anger and frustration you feel here today. I feel it wherever I go in the province.

I would submit that there will be more demonstrations at Queen's Park and throughout this province in the first year of this government if you continue down this road than there was in the entire 40 years of previous Tory governments in this province. I would submit that.

We have had demonstration after demonstration after demonstration. The people of London, the organized working people, took the day off on December 11 to protest, not protest what was happening necessarily in the workplace, but to protest what the government was doing to the basic fabric of their community. In Hamilton and in Oakville on February 23 and 24 you're going to see it again. In spite of all the naysayers who say that everybody agrees with this government, there are large numbers, and increasing every day, of people saying, "We did not vote to give up the democratic process by electing 82 people to Queen's Park."

Like the speaker before, I would urge this government to reconsider, and whether you're correct in saying that there were discussions, about 360 hours of public input, or you were forced by Alvin Curling and his sit-in in the House and the members of the opposition who supported him, to bring about 300 hours, I would submit in either case it is an affront to democracy and an insult to the intelligence of the people of Ontario to think that somehow we could have real input into the massive changes that are being proposed here under this omnibus bill, unprecedented in the history of this province.

Yes, we've had omnibus bills before, but never introduced in this fashion. Normally they've been brought forward and passed with the consent of all parties in the House, not being opposed by the opposition to a person and by every group in the communities across this province that are impacted by these changes. Surely in a democracy, their thinking and the impact on them has to have some impact on the government's final decision.

**The Chair:** We've got five minutes per caucus for questions starting with the opposition caucus.

**Mr Phillips:** By the way, your written presentation was very good, and I would urge people in the room to get a copy of it.

**Mr Hargrove:** Are you saying my verbal wasn't all that good?

**Mr Phillips:** That was fine too. I just wanted to say, because it pulls together, I think, many of the concerns of the bill.

I want to take advantage of your experience in collective bargaining as a leader of one of our large organizations, and try and give us your feeling of how the bargaining is likely to take place between the government and its public sector, recognizing this, that just as they are at a crucial stage, as you point out, this bill takes \$250 million out of the public sector pension. They tried to do it through regulation and the courts told them they were acting illegally. So the bill exempts the government from the law that protects every person in this province from pension. The government has exempted itself from it.

The second thing it does, it changes the way arbitration works in a way that exists nowhere else, and the government will acknowledge they essentially have directed the arbitrators to award settlements that disadvantage those workers who come under that. They've acknowledged that part of the restructuring is going to cut 13,000 jobs out of the public sector and part of the structure of this bill is to allow a very large privatization of work previously done by the public sector. All those things are there.

Now, imagine that you were the head of the public sector union entering bargaining with this government, what is likely to be the climate at the table when they've kind of punched you in the nose four times and then said, "Let's sit down and chat."

**Mr Hargrove:** I don't think I have to answer that. Our record has been pretty clear, because we've had some experience with that in the private sector. There's the odd employer that thinks they can dictate the terms of the relationship, and it always ends up with a fight. What Bill 7 accomplished and what these changes here accomplish—they're a complete destruction of what was a mature and developing, a maturing labour-management relationship in the province, both in the public and private sector.

Unfortunately, Bill 7 was a major setback for the private sector, and this is a major setback for the public sector. It fascinates me how we can sit back as a people and watch what's happening to public sector workers. Federally, I believe we're now in the seventh year without a wage increase. We're now going into the fourth year in the provincial public sector, with workers getting no wage increases, actually working for 5% less than they were just three years ago.

I'll quote a guy by the name of Newall, who just resigned late last year as the president of one of my favourite organizations, the Business Council on National Issues. He said there are two major problems as he leaves his position—he never identified them when he was in power—that should be dealt with by the business community and government. One is the lack of respect for workers in the public sector. He argued, "How can you expect to keep the best brains that you need in government by continually reducing their pay and dismantling all the things that are important to people in the community and the services that they provide?" The other one that he went after the business community for is their lack of effort in trying to deal with the problem of poverty in this nation. This bill simply adds to those problems and continues on the road that Mr Newall said we should be reversing as we head towards the 21st century. 1220

**The Chair:** We've come to the end of the time.

**Mr Silipo:** Thank you, Mr Hargrove, for your presentation. We talked earlier, and certainly in your comments you picked up on the tax cut and how that in fact benefits largely the 15% of Ontarians who make over \$85,000.

One of the reasons that the Conservatives continue to push on the tax cut is that they believe that is their big job creation scheme. They promised in their platform, as you know, to create 725,000 jobs over the next four to five years. This is their single largest, they believe, job creation incentive. I just want to point out a couple of



interesting observations for me and ask you to comment on these or any other aspects of it.

Yesterday, in a presentation from someone who was supportive of what the government is doing, a small business person said, "I want my tax cut because I want to put it into an RRSP and I need to get that break." The government's own figures in the economic statement indicate that the rate of unemployment next year is going to be higher than it is this year and the year after that it's going to be even slightly higher yet. So we're seeing in effect, and their own figures suggest, that at most we will have 150,000, 200,000 jobs created in the next three years.

I guess my basic point is this: Given that the attitude we saw from the gentleman yesterday is likely what we're going to see in terms of where the money will go, and given this government's own figures that suggest jobs are not going to be created anywhere near the levels that they've predicted, where are the jobs going to come from, do you think? Or is that also a case where the government said one thing, in terms of job creation being one of the main focuses, and we're just simply not going to see it?

**Mr Hargrove:** I was incredibly opposed to the tax cut when I first heard of it and then, I think it was on November 14, I got up in the morning and read the Toronto Star. The headline quoted Mr Saunderson—I think he's the Minister of Economic Development, Trade and Tourism—who claimed that the 30% tax cut would create 725,000 jobs. Over coffee I had to second-guess myself a bit and I said: "My God, I probably, instead of opposing it, should be recommending that they increase it to 60%. We have a million and a half people unemployed in the country. We could bring them all into Ontario and put them to work." But of course on my second cup of coffee, as I normally do, I came out of my fantasy land and said, "The tax cuts are simply going to mean a lot more wealth for fewer people, higher-income people like myself."

Although I don't know—I haven't seen the bill yet—I'm told by some of the experts that I'll get about \$4,000 a year in a tax cut at my salary of \$108,000 annually. That's my total income, by the way. It's not like the banks who've announced \$2.3 million in salary and bonuses and don't include their income from investments, which are huge.

I'll receive \$4,000. I don't need \$4,000. People like me don't need \$4,000 less in income tax. I have a very, very good standard of living and quite likely, if I get a chance to get a couple of weeks' vacation this year, I'll spend a lot more than that out of the country, which most people in my income bracket will do.

I am absolutely insulted and find it despicable that a single mother on welfare will lose over \$3,000 a year. She's struggling to feed and clothe and educate her children, and someone like me gets a \$4,000 tax cut.

**Mr Tascona:** Thank you, Mr Hargrove. I appreciate you taking the time to come here. We've listened to a number of locals of the CAW throughout these hearings and I've found their approach very professional. Certainly they've helped this committee in terms of dealing with collective bargaining in particular, under schedule Q.

I've had an opportunity to go through your brief with respect to schedule Q and I'd just like to address some of the concerns that you've pointed out in terms of the criteria.

Certainly, I share your approach that the public sector employers should not be relieved of their responsibility for making decisions for the public service through schedule Q. That has been put forward by your locals, and my response to that is that that certainly isn't the way it should be. The intent is that the decisions on levels of service and all things in arbitration should be through the negotiation process.

I've also indicated, and the requests have been made, that if you're going to have criteria, which is in other jurisdictions, having mandatory criteria in the public sector—this is not the only province—you don't restrict it to these five factors. Certainly, that has not been the intent. I think Mr Runciman indicated that to the president of the professional firefighters' union, that they're not to be exhaustive; that they're to be all relevant factors. I'd just like to indicate that we all get into interpretations. I could interpret one way and you the other way. But that isn't the intent. I certainly have viewed it that way.

In other areas of schedule Q, in terms of the process, we've had a number of unions that have approached all of them in terms of public sector, private sector. You're the second-largest union in this province, and I'd like to say that the presentation and the focus that we've heard—not necessarily from your union, because you're private sector and you may or may not have some members within the public sector; I'm not aware. But I know that you're not subject, in dealing with the automobile companies, to interest arbitration. You negotiate the agreement and you get the best deal you can under the circumstances.

Certainly, the presentations we've had have all been focusing on wage increases. We don't want that to be limited, and you have commented on the ability-to-pay principle. We had the benefit of a discussion with one of your local presidents, I believe it was in Kitchener, and he bluntly put it to me: "You're talking about the inability to pay the wage increases and the debt the province is in and the structure that has been imposed under Bill 26. Why don't you get together with your unions and work out a process in terms of doing productivity bargaining when you're faced with an argument of ability to pay?"

He said: "When we're faced with that argument, we don't accept that. We'll basically negotiate and they'll have to prove to us that's the case. We try to find some savings; we try to find the best way to reorganize the compensation package as it can be." I think that's an intelligent way to go about negotiating when you're faced with a position that's being put to you. I would expect the public sector employers to do that, rather than to hide behind schedule Q, because that's certainly not the intent.

Is there room for productivity bargaining in the public sector, as there is in the private sector, to try to deal with the financial situation, to try to deal with the best way to provide the services in this environment?

1230

**Mr Hargrove:** The short answer is yes. There's always room for improvement. There's fat in the private



sector. I see it every day of my life. There's fat in the public sector. The real test of a democracy is, can people sit around a table and come to grips with the issues it takes to eliminate a lot of the fat and pass the savings on to the taxpayers? Unfortunately, this doesn't do that. This bill just frustrates the hell out of working people. You're going to get no cooperation in the workplace. You've destroyed labour relations in the private sector.

We had an excellent relationship with the major auto companies that led to a settlement in 1993, for the first time in our almost 60-year relationship without a strike, without a day's lost production in any of the companies. Now we're at one another's throats over Bill 7, and Bill 26 is going to create the same atmosphere in the public sector, which wasn't very good to start with.

I would just say, for God's sake, let the parties work out the problems. There's no role—if you really believe in all of the things you said during the campaign, you should be withdrawing government and letting the parties decide this thing. This is not what this bill does; this is not what schedule Q that you're talking about does.

The other point you made is on intent. You know, the best of intentions have been turned over by arbitrators, by judges, by labour relations people especially, in both the public and private sectors, so the intent of a bill has to stand the scrutiny of public debate and input. Mr Leach, instead of resigning, at least is now saying he recognizes that he screwed up and he's going to make some changes in the bill. There are literally hundreds of other changes that have to be made to this bill to make it anywhere near understandable, let alone acceptable. So I would say the only solution is to withdraw the bill.

If we're concerned, if these are the areas the government identified as to where change has to take place, let's start the public debate and input. What's wrong with communities like Kingston, the people over here today and a whole lot of others, coming here and advising the government and the opposition members as to what they see as solutions to the problems we face jointly as a people? That's the way I believe governments should operate.

**The Chair:** Thank you, Mr Hargrove, for coming forward and making your presentation to the committee today. We appreciate that.

#### STORRINGTON COMMITTEE AGAINST TRASH CATARAQUI CONSERVATION FOUNDATION

**The Chair:** May I please have representatives from the Storrington Committee Against Trash and Cataraqui Conservation Foundation come forward.

**Ms Janet Fletcher:** My co-presenter is Elizabeth Munt of the Cataraqui Conservation Foundation.

**Ms Elizabeth Munt:** This is Bill Warwick, who is general manager of the conservation authority.

**Ms Fletcher:** Good afternoon, Mr Chair and members of the committee. My name is Janet Fletcher. I represent the Storrington Committee Against Trash, or SCAT. We are a citizens' group primarily concerned with protection of the Rideau Canal and area drinking water sources from contamination produced by the Storrington dump, which is located north of Kingston and is owned by Laidlaw Waste Systems.

With regard to public consultation and the Environmental Bill of Rights, we appreciate the opportunity to present our concerns regarding Bill 26. We especially value this privilege because we know it has been denied to thousands of other equally concerned citizens of Ontario.

Public consultation is an extremely important component of any democracy and should not be viewed merely as a bothersome obstruction. The opportunity to provide input on matters of great concern empowers citizens to exercise some control over their environment and effect positive change. Citizens need to know that their government is willing to listen to their concerns and be open to change as a result.

Public consultation must be recognized as a valuable resource by decision-makers. Our own experience in participating in the environmental assessment of Laidlaw Waste Systems' proposed expansion of the Storrington dump is an excellent example of the value of public input. If the public had not been afforded the opportunity to fully and equally participate in this process, the decision-makers would not have had the benefit of a balanced assessment of the proposal and therefore may not have fully recognized the need for the stringent conditions that resulted from the environmental assessment of Laidlaw's application.

We now draw upon this experience in condemning Bill 26. In particular, regulation 482/95 effectively denied the public the right to scrutinize Bill 26 under the Environmental Bill of Rights. Why was this exemption made? On what grounds? It is not as though the environmental concerns we all share are going away. The government, through Bill 26, undermines the rights of its citizens. It deliberately overrides legislation designed to ensure that the public may participate in the decision-making process in a meaningful way. With the passage of Bill 26, we are becoming increasingly concerned about the real possibility that future legislation may be passed that is also designed to avoid such scrutiny, thereby denying the public a voice. If the government does not respect this principle of fairness through the passage of Bill 26, it will not respect this principle in future legislation regarding protection of our environment.

Amendments to the Freedom of Information and Privacy Act: Access to information is a very important right of all citizens. The amendments to this legislation will make it much more difficult for taxpayers to obtain the information they need. In the case of Laidlaw's environmental assessment mentioned previously, the public would not have been able to adequately prepare their case without full and easy access to information. By making access more difficult in terms of exemptions and fee structures, the government effectively limits the right of its citizens to access information.

There are already sufficient built-in barriers, such as continuous 30-day waiting periods, which prevent the flow of information in a timely manner. The institution of higher fees further discourages citizens from attempting to obtain information. Governments should take into account that there is already a cost to members of the public who file a request for information and who may be forced to take time away from their employment, investing unpaid hours in reviewing documentation that can



only be accessed during working hours and may be located in another municipality. There are also costs involved in obtaining copies of the documentation reviewed.

When information is freely shared, truly informed decisions can be made which benefit everyone. The amendments to this legislation are unwarranted and unfair and should be withdrawn.

**Amendments to the Municipal Act:** The amendments proposed to the Municipal Act do not include a provision for public consultation with respect to restructuring.

Land use planning may be adversely affected by a weakening of legislation regarding new development. In addition, the amendment to restrict development fee levels may result in existing taxpayers having to unfairly bear the costs of servicing for new developments in their community.

Bill 26 does not seem to promote responsible land use planning. These amendments would not seem to contribute anything toward deficit reduction. A combination of poor land use planning and unrealistic development fees places the taxpayer at a potential risk of having to shoulder the cost of environmental degradation and servicing of developments.

With respect to the amendment concerning dry cleaners, we find it odd that our government is deregulating this sector when there is a US-Canada commitment to phase out perchloroethylene. The dry-cleaning industry should be encouraged to use less environmentally damaging processes. This deregulation does not seem to have anything to do with deficit reduction. The amendments appear to promote the use of a chemical that may pose a serious health risk to workers and the general public and continues to threaten the health of our environment.

**Amendments to the Mining Act:** We have serious concerns with respect to the relaxation of environmental regulations for the mining industry. These changes may set a dangerous precedent. It would appear that the mining industry is being given special status as a result of these changes. Others in the business and industry sectors may begin clamouring for equal status. Further relaxation of environmental regulations may then result in widespread pollution that may be very costly in terms of our environment, our health and safety and our economy. We simply cannot afford to cede to industry on the issue of environmental protection. We have made some progress in terms of trying to curtail environmental degradation and improve the health of our environment, and it will become increasingly important for all of us to ensure that this progress continues.

If potential polluters are not required to file closure plans for rehabilitation and to provide realistic financial assurances up front to cover the cost of a cleanup, those costs will have to be borne by the taxpayer. We therefore fail to see how such changes will benefit the province in an economical sense. Rather, it would appear that business and industry will continue to reap even greater profits at the expense of the Ontario taxpayer without fear of being held accountable. If the purpose of Bill 26 is to reduce our deficit and make Ontario more prosperous, these changes in regulation do not appear to support that purpose.

It simply does not make sense to allow industries to earn huge profits and to not hold them accountable for the costs of damage to the environment caused by their businesses. In the case of the Storrington dump, a site that will likely require millions of dollars to cover the cleanup of existing contamination, Laidlaw was required to post financial assurances of approximately \$80,000. This is simply outrageous and amounts to mere pocket change in terms of the real cost of an environmental cleanup. If business and industry want to earn profits in our province, they should also accept responsibility for any negative impacts caused by their operations, and this should be considered part of the cost of doing good business. The beleaguered taxpayers of Ontario should not be placed in the position of potentially having to bear these costs.

**1240**

The amendments contained in Bill 26 potentially place our environment at risk. Bill 26 restricts the rights of the citizens of Ontario to easy access to information important to them and denies them the right to scrutinize government decisions under the Environmental Bill of Rights. In addition, Bill 26 places taxpayers at risk in terms of liability for costs of environmental cleanup and servicing of new developments.

Changes to legislation should not be made in haste and without a fair and complete assessment of all of the implications. It is our opinion, therefore, that Bill 26 should be withdrawn and separated into its component parts. A thorough review of each component should then be undertaken which includes an assessment of the long-term impacts and should include much broader public consultation. The citizens of our province have great fears and concerns over the changes that are being proposed, and they should be allowed full access to their decision-makers.

**Ms Munt:** I wish to add my sincere thanks to this panel for the opportunity to express on behalf of SCAT—and, I might add, many other conservation groups in eastern Ontario—our deepest concern regarding the impact of Bill 26 on conservation. Although we support the need for fiscal cutbacks and wish to contribute as best we can to a balanced budget for Ontario, we deplore the complete destruction of precious resources that have taken 50 years to acquire for the public domain and the needs of our citizens.

Especially hard hit are conservation authorities, and for us here in Kingston, Bill 26 means the likely dissolution of the Cataraqui Region Conservation Authority, with the 9,500 acres it oversees and owns being handed over to municipalities already hard hit with cutbacks.

Since there is no protective legislation in Bill 26 to keep these conservation lands intact, and municipalities have not the expertise nor the resources to manage them, all these properties that have taken more than 25 years to purchase and set aside will likely be sold and lost forever as conservation and public lands. Originally, these lands were purchased by expropriation and purchased from willing sellers who expected the lands to be preserved for future generations, and by donations of land or money to purchase land.



It will not be possible for the Cataraqui Region Conservation Authority to maintain itself only with levies for "flood control structures" and "provincially significant" designated lands. In the Kingston area, we will probably lose three of our conservation properties: Little Cataraqui Creek conservation area, Lemoine Point conservation area, and Gould Lake conservation area. All these properties have a high environmental value for recreation, for ecological teaching from public school to post-graduate levels, for preserving wetlands, for biodiversity of species, as well as for our natural heritage. It is unthinkable, after the struggle to assemble these valuable lands, which is still ongoing after 25 years, that they will just disappear under the auction hammer.

As well, at issue are moneys used to purchase conservation properties. In Bill 26 the province has provided to recoup moneys it granted for conservation lands when and if these properties are sold. But no consideration is given to the many environmental groups, corporations, foundations, families and individuals that have so generously donated funds towards what they believed was the purchase of conservation lands, entrusted to the provincial government for public use and future generations. Bill 26, as it now stands, will stop cold private donations for the purchase of any properties held in public trust.

In Kingston, the Cataraqui Conservation Foundation helped finance the building of the outdoor centre at the Little Cataraqui Creek conservation area, and at the moment its fate is awaiting decisions from Bill 26. This same foundation, understanding that the conservation authority would need greater financial support in the future, has recently inaugurated an endowment fund. Initiatives from the private sector such as these are placed in limbo by Bill 26.

Having outlined some of the adverse effects Bill 26, in its present form, will have on conservation, we would like to make two recommendations:

(1) Legislation should be implemented in Bill 26 to prevent the sale and dissolution of conservation lands. Even if we cannot afford to maintain them, we should keep them in the public domain for future generations and healthier fiscal times. Those properties, being adjacent to and intermingled with urban areas, are just too precious to let go. The people of Ontario will never forgive the Harris government for the loss of these lands.

(2) While some restructuring of conservation authorities may be necessary, Bill 26 should be amended to allow conservation authorities to remain operational in a new, lean and vigorous role. Until Bill 26, authorities have been able to maintain an independence from local government that has allowed them excellent objective judgement. This is probably the reason for their success in conservation, not only in their own properties but throughout their watersheds. They have on many occasions saved large tracts of wetlands by denying fill permits. We have not truly appreciated their work enough, especially in the urban areas.

Ontario has a vital need for the work done by conservation authorities in order to sustain a long-term healthy environment available and accessible to every Ontario resident. I, for one, would be willing to contribute my income tax reduction towards maintaining conservation as

it is now delivered by conservation authorities to the province of Ontario. Thousands more would do the same.

**The Chair:** We have 12 minutes for questions. We will start with the third party.

**Mr Silipo:** Thank you very much for your presentation and for bringing to our attention here, as we've had in a few other instances across the province, the environmental concerns that are in this bill. I think you ask at the outset of your presentation a very good question, which is, why did the government choose to exempt the provisions of Bill 26 that relate to the environment from the application of the Environmental Bill of Rights, which, as you know and certainly people here might know, means that there would be an ability by the public to scrutinize what actions the government is taking?

I'm sure you know, but I think it also bears emphasizing, that the government's action led the Environmental Commissioner to issue a special report—which is not something that's done usually, as I understand—because she was concerned. The Environmental Commissioner, people should know, is someone who's appointed to that position. She's an officer of the Legislature, so that means she was appointed to her position by agreement of the three parties that had representation at the time—the three parties that still do. So it was someone found to be obviously fitting for that position by all three political parties.

She has major concerns about what the government is doing and she has said—and I just raise this in asking you to comment—that given the significant decisions that are made by the Ministry of Finance, which has overall responsibility for this bill, the ministry should be legally required to comply with the same provisions of the Environmental Bill of Rights which were in place before regulation 482/95—which is the regulation, as you pointed out, by which the government exempted itself from this bill—was filed.

1250

If we have the commissioner telling us that in effect there are some significant concerns that she has which have led her to issue a special report and if you are saying to us, as many other groups, from conservation authorities to people concerned about the environment, are saying to us, that these are not measures which are necessary and good in terms of the public interest of the province, do you have any sense as to why it is that, so far at least, we've heard very little from the government that indicates it has heard that message? Certainly, in terms of any amendments that we've seen, there's been no indication given that this is an area they're prepared to make any amendments in. Unfortunately, so far at least, all we can say is that they're not going to do what you're asking us to do.

**Ms Fletcher:** I don't know how to answer that one.

**Ms Munt:** I am still hopeful that there will be some amendments. Maybe I should ask Mr Warwick to comment on that, because I think he has a feeling about some amendments.

**Mr Bill Warwick:** I'm not sure whether the question relates to the environmental bill or to the amendments to the Conservation Authorities Act under the omnibus bill, but with respect to the Conservation Authorities Act,



what we're experiencing now is a bit of a groundswell that is building. There are more and more people concerned today; we're getting more and more calls. We've been going out and talking to many of the municipalities in our jurisdiction. They're expressing real concerns about the potential loss of conservation authorities and sort of an associated liability that they're being expected to take on as a result of the transfer of responsibilities from the resource ministry.

So there are a number of things here that all tie together—the downloading in some respects of environmental services, changes to the Conservation Authorities Act through the omnibus bill—and there really doesn't appear to be a blueprint that anybody can follow to determine where the government is going in this whole initiative. There's a growing feeling of uneasiness out there: Just how are our resources going to be managed in another year?

**Mr Sampson:** Let me just ask a few questions on the conservation authorities side if I can for a second, and I'll try to switch to the mining side if I have some time left. Is it a fair statement that the roles and duties of the conservation authorities have changed since they were established a number of years ago?

**Mr Warwick:** The basic objective of conservation authorities as contained in the Conservation Authorities Act hasn't changed since the 1940s. With Hurricane Hazel there was an emphasis put on floodplain management, but certainly the conservation authority in this area was not sold on the premise that it would be heavily involved in flood control. It was sold by a group of people who wanted to manage land better, who wanted to provide for the future recreation of the people in this area. They wanted to protect some of the sensitive lands and had a real feeling for what I would call the basics of grass-roots conservation.

**Mr Sampson:** Right, but the roles and responsibilities, at least the legislated roles and responsibilities of conservation authorities, have kind of been modified to reflect the local reality. I think what I'm hearing from you is, "Yes, here's what the legislation says they're supposed to do, but in fact, for instance here, they may be doing more than that because that's what the local community wants." Is that a fair statement? Is that what I'm hearing?

**Mr Warwick:** I would go back to the Conservation Authorities Act as it has always been written, in section 20, and that gives the authority a very wide mandate to undertake conservation projects that the community does want, yes. Our problem is that quite often the mandate of the authority that is funded changes from time to time.

**Mr Sampson:** Okay. You get, frankly, your sources of revenue from two sides. You get funding from the province and funding, through the levy process, from the municipalities. Presumably, though, those two funding sources were established to reflect, if I can put it this way, the two roles and responsibilities of kind of a general provincial responsibility with respect to flood control, right? There are dollars attached to that. Then there are local responsibilities that this particular conservation authority, you here, has picked up that are presumably funded through the levy to the municipalities.

**Mr Warwick:** There are actually three sources of funding.

**Mr Sampson:** There's private as well.

**Mr Warwick:** There's money that we raise ourselves, as well as municipal funding and provincial funding. One of the big difficulties that we have with Bill 26 is that it is now narrowing the role of the conservation authority and is redefining what is provincially significant, or the work that we do that qualifies it as being provincially significant, and what we're hearing is that the protection of these natural areas that were acquired with considerable contribution from the provincial government and as a public trust is no longer going to be supported by the provincial government. There are some very sensitive lands that will continue to receive some provincial funding, but the bulk of our properties will not.

**Mr Gerretsen:** First of all, let me say that this is quite a different presentation than we had from the Association of Conservation Authorities of Ontario, which we had in the very first day or so, which absolutely astonished me. You used to get \$34 million in the province for conservation authorities and that's been cut down to \$10 million. Now, maybe why they were so supportive of the government was because they figured that with one stroke of the pen you were going to lose the other \$10 million as well.

I think people ought to be aware that conservation authorities can simply disappear by majority vote of the authority members themselves. Once that happens, then you really have no control, because there are so many different municipalities involved, as to how wetlands will be preserved. Would you not agree with me on that?

**Mr Warwick:** That's correct.

**Mr Gerretsen:** Right. That's number one. Secondly, there is the point about the preservation of the lands and the wetlands and the waterfront lands that you're talking about in your brief. You and I know that in Kingston we've fought this issue here for the last 25 years, to try to get as much waterfront land and wetlands for public access and public use as possible. I can tell you as one member of the Legislature, and I hope my Liberal colleagues will agree with me on this, that we will fight this tooth and nail, because to turn over wetlands or waterfront lands that communities and conservation authorities have acquired over the last 25 and 50 years and now have to somehow privatize them out to meet some kind of budgetary requirement is absolutely ludicrous. I can give you my commitment on that.

Now, how do you hope to preserve the situation here in Kingston with the Cataraqui Region Conservation Authority, in light of the legislation?

**Mr Warwick:** Our chair has done considerable work to analyse Bill 26, but basically the problem with Bill 26, as it sits now, is that it is very confusing and it's creating confusion in this general area. I don't know that I can adequately answer your question, but I would suggest that perhaps every member of the committee pick up a copy of the Kingston paper, which on the front page has an article that indicates the confusion that is being created in this area as a result of Bill 26.

**Mr Gerretsen:** It also talks about new fees in the police budget. That's another issue.

**The Chair:** Thank you all for coming forward and making your presentation to the committee today.



## ONTARIO FEDERATION OF LABOUR

**The Chair:** May I have representatives from the Ontario Federation of Labour come forward.

**Mr Gord Wilson:** You better be careful with statements like that. As I see fit, we might have something different than a presentation today.

I understand that members of the committee have a copy of our written submission, and I want to get part of it on the record. I'm Gord Wilson, the president of the Ontario Federation of Labour. I am joined today by our legislative director, Ross McClellan, who is a person of some expertise in the ways of government and the construction of legislation and who, I can tell members of the committee, has been actively engaged in an analysis since this has been introduced. We've had great difficulty keeping him filled up with Valium to keep him down.

1300

The Ontario Federation of Labour welcomes this opportunity to present its views on Bill 26, the Savings and Restructuring Act, on behalf of our 650,000 members. Those members and their families have, in the public discourse recently, been referred to as special interests, and I want to say to the government members of the committee, you're darned right. Every one of those people and their families are special.

We want to thank the members of the two opposition parties for their use of parliamentary tactics which made these hearings possible. Without their activity in the Legislature, the public would have had no input at all into these processes today. There are times when governments are arrogant and autocratic and they have to be brought to heel. We believe this was one of those times, and again we congratulate members of the opposition for forcing this issue.

The federation has provided a detailed commentary on Bill 26 in section 2 of our written submission. In the short time available to me today, I want to focus on some of the worst features of this seriously flawed omnibus bill. Before I do, I must make some comments on the fundamental economic assumptions that lie behind Bill 26.

This is a bill which is justified on the grounds that it is necessary to restore the economic health of Ontario. I want to make it crystal clear that the labour movement in this province rejects the fundamental economic premise of the Conservative agenda and the Common Sense Revolution.

Of course we agree that Ontario's operating deficit is too high, and that program spending cannot be sustained by borrowing and that operating expenditures must be brought into balance with revenues. Every family in this province knows that. But we totally disagree with this government's views concerning the causes of Ontario's fiscal problems, and we utterly reject the reactionary and socially destructive solutions.

Ontario's fiscal deficits did not come about because we are living beyond our means. We are one of the wealthiest and most prosperous societies on the face of this planet. In 1994, Ontario's gross domestic product was \$302.5 billion. Ontario's GDP on a per capita basis for 1994 was \$27,743, higher than all but a very small number of nations in the entire rest of the world. Proportion-

ately, we spend a lower share of our GDP on government services and programs than most of our economic partners in the G-7. It is undeniable. It's a simple fact.

It is also worth pointing out that as of April 1995, Ontario's budgetary expenditures per capita of \$4,874 per person are lower than those of Newfoundland, Prince Edward Island, Quebec, New Brunswick, British Columbia, Saskatchewan and, please note, Alberta.

The hysterical overreaction of this government to Ontario's deficit, of which Bill 26 is simply the latest example, is in our view not only unwarranted but is a classic case of the cure being worse than the disease.

Ontario's deficits are the creation of deliberate, wrongheaded government policy by successive federal governments, first the Mulroney government and now of Paul Martin's Liberals. They are the right-wing policies of the corporate agenda, the policies of neoconservative economics and of monetarism. For more than 10 years now, they have inflicted upon us insanely high interest rates, creating a state of permanent recession, low growth and high unemployment. Combined with the free trade deal which decimated Ontario's manufacturing sector, these policies have been catastrophic for our province.

The policies of the permanent recession have kept the jobless rates at depression levels; 8% is now being called full employment, and whenever the unemployment rate threatens to fall below 8%, interest rates are immediately hiked and the permanent recession is restored. A whole generation of young people are frozen out of the job market, and thousands of older workers are thrown upon the scrap heap.

There are alternatives. There is a set of workable solutions based on genuine common sense and a balanced approach to economic policy, and it is an approach called for by an increasing number of economists. It is to abandon the monetarist nightmare and the strategy of permanent recession and embrace strategies that will bring about full employment in our province. This means easing monetary policy, lowering interest rates on a long-term basis and concentrating on economic growth, with government as an active partner in promoting economic development. It means maintaining Ontario's revenue through fair taxes, with everybody paying their fair share; holding the line on operating expenditures, but don't slash and don't burn. Let economic growth over a reasonable period of time eliminate the operating deficit and begin to retire the debt we currently face.

As long as real economic growth lags behind interest rates by as much as five points, as it currently does and as it has for most of the past decade, government deficit-fighters have as much chance of success as a rat chasing its own tail.

But instead of policies to solve our problems through economic growth and full employment, we have instead the Common Sense Revolution, modelled, I would argue, upon other similar failures in the United Kingdom and in the United States. The Common Sense Revolution proposes borrowing money we don't have to pay for a tax cut for the wealthy, and other speakers have spoken of the insanity of that; increasing Ontario's debt by \$29 billion over the next five years to pay for the tax cut; slashing essential services and firing tens of thousand of



public sector workers; cutting economic growth by at least 2.9%, according to the CSR document itself; introducing labour market policies designed to terrorize workers and their families and to continue to depress, in a downward spiral, their wages; and completely wrecking consumer demand with a terrorist approach to society and the economy which has created a sense of insecurity not felt since the end of the Second World War. And now, in order to implement this unbelievable economic folly, comes an assault on Ontario's democratic traditions through Bill 26.

The Savings and Restructuring Act creates three new acts, abolishes two statutes and amends 44 other acts. The process is now a matter of historical infamy. While it has become clear that even some of the ministers do not know what is contained in the bill, what we do know is terrifying.

The Minister of Health is given dictatorial powers over Ontario's community hospitals. The bill deregulates drug prices and introduces user fees and deductibles for seniors, in blatant violation of election commitments, and it paves the way for the privatization of medicare. It grants the government enormous arbitrary powers over the medical doctors and abrogates a formal agreement with the OMA.

It rolls back the law which provided for pay equity for the lowest-paid women in the public sector.

It gives enormous arbitrary power to the Minister of Municipal Services to abolish local governments and to force mergers and amalgamations, and allows for privatization and new forms of local taxation. At the same time, it strips away the traditional democratic checks and balances such as municipal referenda and accountability to the Legislature itself.

Bill 26 guts the laws requiring environmental cleanup of abandoned mine sites.

Arbitration for workers in the broader public sector, such as police, firefighters, teachers and hospital workers, will be severely constrained, and any notion of fairness will be set aside by this bill.

Section 2 of our written submission comments on each of these issues, and this afternoon I want to highlight, if I can, three areas of concern.

First, this is dangerous and authoritarian legislation which puts excessive and arbitrary powers into the hands of ministers while at the same time eliminating the traditional forms of accountability to the Legislature or to the local community. For example, the Minister of Health is given unprecedented authority to depose community hospital boards and to take over hospitals directly, to run them, shut them down or to force mergers. He can even dictate what medical services can or cannot be offered in a given hospital.

I've got some news for members of this government. Ontario's hospitals don't belong to the government of Ontario, nor do they belong to the Minister of Health. Each hospital in this province belongs to the community it serves, which has built it and nourished it and sustained it over years and generations. No government has the right to assume dictatorial powers of the kind set out in Bill 26. You will learn this the hard way if your minister is foolish enough to try to use these authoritarian powers.

Change in our hospitals must be managed in a democratic way, hospital by hospital, community by community, with a full partnership between all segments of the local community and the provincial government. The government's jackboot approach to hospital management is a violation of Ontario's traditions of democracy and is improper as a role for government.

But it doesn't seem to stop there. The Minister of Health becomes a kind of feudal lord with unlimited powers—to decide what drugs we can use, who will get our private confidential health information, where a doctor is allowed to practise medicine, and all this with no accountability back to the Legislature. This is power-mongering run completely amok—and there's more. The citizens' right to information from their own government is being severely curtailed at the same time that private records become a plaything of the Ministry of Health.

The Minister of Municipal Affairs gets brand new dictatorial powers of his own to change at will the very structure of local government, to force amalgamations and to eliminate entire municipalities, to privatize services and to allow the imposition of new forms of taxation, all by decree.

All this is an outrageous affront to Ontario's democratic traditions. That it comes from a government which campaigned against big government and getting government off our backs raises hypocrisy to an art form.

### 1310

A second area to highlight is the theft, the legalized theft, of Ontario government employees' pension benefits under schedule L of Bill 26. Ontario's Divisional Court ruled just last month that the government has no right under existing law and agreements to abrogate its pension contract with its own employees. To use its legislative majority on a retroactive basis to steal as much as \$400 million in deferred wages—and I underline "deferred wages"; that's what pensions are as part of a bargaining settlement—in the form of pension benefits legally owed to your employees is simply despicable, and that is exactly what this government is doing under schedule L of Bill 26.

Let us be very clear about what is happening here. This government is about to launch one of the largest mass layoffs in Canadian history. Up to 20,000 workers in the OPS, both bargaining unit and managers, will be fired, according to Premier Harris. The Pension Benefits Act has explicit provisions designed to protect the pension rights and economic security of any employees in this province who are facing precisely this situation, whether it be public or private sector.

Wherever there is a major downsizing, the Ontario superintendent of pensions has the power to order a full or partial windup of a pension plan. Such a windup protects the interests of the laid-off employees in a number of ways. The employer is required to fully fund all benefits payable to the affected workers within five years of a partial windup. Short-term workers will get vesting and older, longer-service workers are protected against economic catastrophe by a grow-in provision and other enhancements. These pension protections for employees facing termination are set out both in law and in the contractual agreement between the government of Ontario



and its employees and their union, the Ontario Public Service Employees Union.

Any government which seeks to steal from thousands of its own employees it is preparing to lay off is deserving of the mistrust and contempt society affords to any thief or group of thieves.

*Interruption.*

**The Chair:** Order, please.

**Mr Wilson:** I told you I'd get a rise.

Under schedule J, the right to pay equity for about \$100,000 low-paid women in such areas as day care, child welfare or nursing homes has been effectively abolished. That is the consequence of eliminating the use of the proxy method for pay equity. To do so at a time when the wage gap between men and women has actually widened for the first time in nearly three decades speaks volumes about this government's chauvinistic and reactionary attitude towards women.

The freeze on the minimum wage has hurt working women. The repeal of Bill 40, which made collective bargaining easier to obtain, has hurt working women; so has the attack on the funding of women's shelters. These actions all reveal a consistency and meanness of purpose on the part of what appears to be the most brutal of all governments in this province.

Bill 26 represents the most authoritarian power grab in Ontario's modern history. Not since the infamous police state bill of Tory Attorney General Fred Cass has there been such a blatant attempt to gather arbitrary and centralized power into the hands of ministers of the crown. It is an affront to democracy and a disgrace to this province that this government has such little regard for the principles of democracy. This bill should be defeated and its authors made to apologize to the people of Ontario.

As this government continues to operate under a cloak of secrecy, we are faced almost on a daily basis with revelations of some change of heart or change of mind that's been pencilled or inked in in some dark back room of the Legislature. So I want to conclude my remarks in an addendum, as we've had to respond to some revelations of the last day or two. Let me conclude my remarks by commenting briefly on the amendments to Bill 26 to the extent that we understand exactly what they are, if it is possible to understand exactly what they are.

The Minister of Health appears to be willing to limit his newly acquired dictatorial powers to a four-year period, after which they will sunset out of existence. The previous speaker commented that there may be some correlation with the length of a determination of a government in office.

Our view is that if these powers are so dangerous that the law should sunset in four years, it should be obvious to everyone that they should not have seen the light of day in the first place. We stand by our comments that the proper process for hospital restructuring is the democratic process, with the full participation of all the people who have a stake in the outcome.

The Minister of Municipal Affairs appears to be introducing amendments to prohibit municipalities from enacting a poll tax, a gasoline tax or other forms of direct taxation. Since the minister was so adamant that the bill did not confer any powers of direct taxation and threat-

ened to resign if it did, all I can say is that we eagerly await, with hundreds of thousands of other people in this province, his announcement of his resignation.

For the government to concede that it was dead wrong on some of the central elements of Bill 26 is, quite frankly, shocking. Rhetorically, I have to ask the question, what would have happened if the opposition had not forced these public hearings? The whole process, we submit, has been a disgrace and a disaster from start to its logical and imminent conclusion on January 29.

I say again that the content of Bill 26 in the beginning is simply a move away from democracy and the traditions of this province and one that more closely resembles the dictatorial powers held by others in government in other countries in the world.

I want to say, in conclusion, a final comment to the members of the government sitting on this committee. Some of you may have judged my comments this afternoon to be harsh, and some of the language I've used has been less than candid perhaps but certainly straightforward. But I want to say to you to take my remarks in context, because I represent a great deal of the frustration developing around this province. The hurt or pain some people may have felt in offence at what I've said here today, if you've taken it personally, I can tell you, if you move around this province, is nothing when measured against the hurt and the pain now starting to be suffered by the people of Ontario as a result of your actions.

You must take responsibility for the decimation of the social infrastructure now taking place in this province. I predicted in November, when Mr Eves made his economic statement, that we would see in February and March of this year families thrown out on the street as landlords evict them, as those people had no choice but to use the reduced amount in welfare benefits to buy food rather than to pay the rent.

The Toronto Star has carried stories of that. I'm only surprised that it's happening this early, and we will see a continued winter of discontent. I don't want to go overboard, but there is a correlation between the deaths of two people in the city of Toronto in the weather we've had and the cuts the government's imposing upon communities. All of those organizations and institutions—church organizations, community institutions—that have provided the services to allow the homeless to come in off the street now find themselves completely beyond their means in being able to deal with those people currently on the streets. We are going to see more of that, unfortunately, unless this government takes some immediate action to try to change that.

As I talk to workers who currently have jobs, don't think they're on side about the 30% tax refund. Those workers understand fully that the money they get back will be long gone in additional levies placed on them by municipal governments struggling to survive out there, through user fees for everything from school bus travel to blue box collection.

Those workers also fully understand that they're at peril. As we continue this downward and contracting spiral within our economy, we should learn the lessons of history. The lesson is that for every worker you throw out on the street, that's one less worker who's able to buy the



products and the services that someone else has made. It's not a very complex economic situation.

I appeal to this government on behalf of the people I represent and the countless hundreds who have not had the opportunity to come before this committee to please consider again what you are doing in Bill 26 and the other economic measures you are taking in this province.

*Applause.*

**The Chair:** Order, please. We'd like to get some questions in.

1320

**Mr Sampson:** Thank you very much for your presentation. I suspect we might be hearing you in the committee that's going to review the budget process, but I want to take this opportunity to talk to you about what you believe to be the alternatives. You said there are alternatives, and talked about easing monetary policy and lowering interest rates on a long-term basis. Neither of those is within the purview of provincial fiscal management. How do we as a province deal with those two items?

**Mr Wilson:** This province represents roughly a little better than a third of the population of this country. Ontario has always been, if I could be so bold, within the context of Ontario, Canada. There has been a great deal of influence this province has been able to exert when it wanted to, often reined in its authority for all sorts of other sensitivities across the country, and I appreciate that.

But let me use a couple of examples. Although I admit candidly and will say up front that the world has changed in terms of the economic structure, we shouldn't completely dismiss those things that worked in the past. At the end of the Second World War, the per capita debt in this country was higher than it is now, and the federal government, with support from provincial governments and at the urging of some provincial governments, promoted two very distinct policies that were quite useful.

The first was that we would pursue full employment, because we understood that the way you get out of debt is to have people working; that's how you incur less debt and are able to pay off your debt. It works in every household. If you've got two people laid off and one gets back to work, you pay off your debts faster and you get out of the hole.

The second one was that we really went after the finance community and said to them, "You can't continue to charge interest rates that exceed the rate of growth or development within our economy." That's one of the serious problems we have, and there's not a peep out of the province of Ontario in addressing the financial community and in dealing with Mr Martin, saying that we have to get serious about redressing that question. You can't have reinvestment as long as money keeps getting piled into those people who deal with paper and don't convert that into bricks and mortar and into service.

I would argue, as we do more fully in our brief, that the way out of debt is to promote those policies which continue to place less demand on expenditures because people don't need the services. By that I mean that when you put people back to work, they don't need welfare payments. That's a very simple economic premise. And I am not a fool—at least I don't think I'm a fool; I've

been involved with dealing with people in public life for quite some time. The debt requires challenging some power structures in this province that this government and the federal government are not currently challenging.

**Mr Phillips:** As usual, Mr Wilson, you've been an eloquent spokesperson for all the people of Ontario. I'll just say that there will be lots of amendments, but they won't change the essence of this bill. This is a mean-spirited bill. All the amendments will simply prove that they're mean-spirited and incompetent.

I want to ask you about the climate for bargaining, particularly among our public sector. I asked Mr Hargrove the same question. The government is right at the edge of a very important piece of negotiation with its unions, and here's what it's done. As you say, they have stolen—that's your word—money from the pension funds, and many would agree with you on that. They have taken away bargaining rights for arbitration. We heard the extraordinary thing this morning of the mayor of Kingston saying, "Please make sure the regulations allow us to increase the cost of getting married in Kingston so we can save two jobs." It's right in the brief: increase the cost of marriage licences so they can save two jobs. That's what the mayor is pleading with us to do.

As you point out in your brief, one intent of this bill is to allow layoff of at least 13,000 people and to privatize many services.

In terms of the climate it creates, when you ask employees to cooperate with the government in dealing with the financial problem and when you do these things through this bill which will pass January 29, what sort of climate is the government going to face?

**Mr Wilson:** I think Buzz Hargrove spoke quite clearly on that. Labour relations in my time in this province in the labour movement—it's been about 30 years full-time—I have never seen labour relations at the low ebb they are now in the relationship between employers and workers.

It depends on your perspective. If you're an employer, you have two tacks: You either try to arrive at what's generally conceived to be a fair agreement, which both parties can walk away with, saying, "We didn't get everything we liked, but it's a deal with can live with"; or you can try and run over people. I'm not at the bargaining table with the public sector, but my guess, and I'll say it here, is that I think this government is embarking on a strategy that we've seen in the private sector before: Where employers feel they have an upper hand, they're going to precipitate a strike. I would not at all be surprised to see the workers in the public sector having to respond.

If you believe you're going to roll over people and they'll lie down, that's a successful tactic from an employer's perspective. If you think the Ontario public sector employees are going to lie down, that's a gross miscalculation. I'm just trying to make an honest assessment. I think we're in for a donnybrook in this province.

**Mr Silipo:** Thank you for the presentation, Mr Wilson. You talked about amendments. You might be interested in knowing that in addition to the amendments presented to this committee yesterday and the few that were presented on the health piece, which you commented on,



we understand that today in Hamilton, which is where the other half of the committee is, some 50 amendments were presented by the government on the health part. We don't know what additional amendments there will be—we haven't been told—as they relate to the issues you addressed, other than the health ones. We wait to see what happens.

Having gone through this process, it would seem to me that the very best one could say about this government is that it has been incompetent in how it's dealt with this whole issue and this whole bill, that it's just screwed up. That would seem to me to be the best one could say.

What scares me is that I don't think that's what has got us to this point. What has got us to this point are some of the issues you've addressed, that what this government is doing is acting in a very dangerous and authoritarian way, that what it's doing by its actions is causing not just a lot of frustration, pain and hurt—which it is, as you've noted—but is polarizing this province in a way that I don't think we've seen for many decades, even when we had Conservative governments in the past.

What I saw in your brief, beyond outlining that particular effect, was a sense also that there are solutions and that this kind of approach by this government is not necessary, if it really is serious about resolving the fiscal

problems we have as opposed to a different agenda, which is to shift the power and the wealth from the many to the hands of the few.

**Mr Wilson:** There are two ways to reach a solution. You either do it arbitrarily or you do it cooperatively. On Bill 26 I don't think there's much doubt that it's been an arbitrary process.

**The Chair:** I want to thank you, Mr Wilson, for making your presentation to the committee today.

**Mr Gerretsen:** Mr Chairman, I would like to file with the committee a report of the alternate hearings held here last Friday. We will be having alternate hearings later on today as well. I would like to give you a summary of the evidence that was given, as well as reports from the various people who filed.

**Mr Cleary:** I have a number of submissions that have been presented to me in my office by individual groups and organizations from Cornwall and area, some who attempted to make oral presentations before the committee but were not selected. I would appreciate it if you'd circulate these to the committee members. Thank you.

**The Chair:** The meeting is adjourned until 5 o'clock.

*The subcommittee recessed at 1330.*

*Report continues in volume B.*















## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

### **Substitutions present / Membres remplaçants présents:**

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

### **Also taking part / Autre participants et participantes:**

Cleary, John C. (Cornwall L)

Galt, Doug (Northumberland PC)

O'Toole, John R. (Durham East / -Est PC)

Rollins, E.J. Douglas (Quinte PC)

Sergio, Mario (Yorkview L)

Stewart, R. Gary (Peterborough PC)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Friday 19 January 1996

<b>Savings and Restructuring Act, 1995, Bill 26, <i>Mr Eves</i> / <b>Loi de 1995 sur les économies et la restructuration</b>, projet de loi 26, <i>M. Eves</i> . . . . .</b>	<b>GS-879</b>
City of Kingston . . . . .	GS-882
Gary Bennett, mayor	
Kingston Professional Fire Fighters Association . . . . .	GS-888
John Machin, president	
Richard McCullough, second vice-president, Ontario Professional Fire Fighters Association	
Township of Kingston . . . . .	GS-892
Isabel Turner, reeve	
Frances Smith, warden, Frontenac county	
Queen's University Faculty Association . . . . .	GS-895
Frank Burke, representative	
Grant Amyot, representative	
Building a Stronger Involved Community; Sisters of Providence of St Vincent de Paul . . . . .	GS-899
Rob Hutchison, member, steering committee, BASIC	
Lucy Myers, member, BASIC; member, peace and justice committee, Sisters of Providence of St Vincent de Paul	
Canadian Auto Workers . . . . .	GS-903
Buzz Hargrove, national president	
Storrington Committee Against Trash; Cataraqui Conservation Foundation . . . . .	GS-907
Janet Fletcher, representative, SCAT	
Elizabeth Munt, director, Cataraqui Conservation Foundation	
Bill Warwick, general manager, Cataraqui Region Conservation Authority	
Ontario Federation of Labour . . . . .	GS-911
Gord Wilson, president	



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GS-15B



GS-15B

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First Session, 36th Parliament

## Assemblée législative de l'Ontario

Première session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Friday 19 January 1996

Evidence subcommittee  
Standing committee on  
general government

Savings and Restructuring Act, 1995

Non-health-related issues

Chair: Bart Maves  
Clerk: Lynn Mellor

# Journal des débats (Hansard)

Vendredi 19 janvier 1996

Sous-comité de preuves  
Comité permanent des  
affaires gouvernementales

Loi de 1995 sur les économies  
et la restructuration

Questions non reliées à la santé

Président : Bart Maves  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Evidence subcommittee

Friday 19 January 1996

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Sous-comité de preuves

Vendredi 19 janvier 1996

*Report continued from volume A.**The subcommittee resumed at 1713 in the Ramada Inn, Peterborough.*

**The Chair:** Good afternoon, ladies and gentlemen. Could I ask the room to come to order. Welcome everyone, committee members, to Peterborough. At 9 pm, our last presenter this evening will be the mayor of Peterborough, and Warden Doug Percy will be here, in case people want to know about that. It's not on any of our printed schedules, so I want to make that announcement.

We have two motions, but a point of order, I believe, from Mr Sampson first.

**Mr Sampson:** Mr Chairman, I would like to table with the committee the remaining amendments that we have with respect to the non-health component of Bill 26. Again, I do apologize. I will take the scowl of the clerk as we go all the way home to Toronto tonight, but I only have one copy; I apologize.

**Mr Phillips:** How many amendments are we dealing with?

**Mr Sampson:** There are a total of 64 amendments, technical and non-technical inclusive.

**The Chair:** We have two motions on the floor, both from Mr Silipo.

**Mr Silipo:** I look forward to seeing the amendments, but more about that later. I'd like to move:

Whereas there has been overwhelming public interest in Bill 26 and 40 groups and individuals have requested to appear before the standing committee on general government in Peterborough, which far exceed the eight spaces available today for hearings;

I move that this committee recommend to the government House leader that when the House returns on January 29, 1996, that the order with respect to Bill 26 be amended and that the bill be returned to the standing committee on general government so that further public hearings can be arranged for the community of Peterborough;

Further, this committee recommends that the three House leaders meet as soon as possible to discuss this issue.

**Mr Silipo:** I move this motion because we see that here in Peterborough as, indeed, we have throughout the many communities that we visited in the last two weeks, there are far more groups that would like to speak to this bill than are possible for us to fit in to the spaces in the times available.

We know that this bill speaks to a lot of fundamental changes, that there are certainly changes that are pro-

posed in this bill that provide a tremendous shift of powers to individual ministers and away from the Legislature, tremendous shifts of power to municipalities, giving municipalities far-reaching powers to impose a variety of taxes and user fees, and powers that change fundamentally people's rights in this province.

Just to cite a couple of examples: This bill takes away pay equity for 100,000 of the lowest-paid women in this province. This bill takes away basic bargaining rights for specific groups, but I would suggest for many groups, indirectly, primarily firefighters and police officers—and I note that we're about to hear from a police association—by directing the arbitrators to, in effect, impose the employer's position in any settlement disputes. This legislation takes away pension rights of public sector workers and does many, many other things which I will not get into at this point for the sake of time.

What essentially this legislation does is it takes away basic rights that people have in this province, it changes the social fabric of this province like no other piece of legislation ever has, and for that to happen is an affront in and of itself, but for it to happen in the kind of underhanded way in which this government has tried to bring about this legislation, with little discussion, with initially no public hearings, with hearings only taking place because the opposition managed to force hearings to take place—otherwise the good people of Peterborough and the surrounding communities would not be able to speak to us on this bill tonight—is just a complete affront to the democratic principles that we've had in this province for 150 years.

For all of those reasons and many more that I could cite, I think it's appropriate that this motion be before us and give the government members one last opportunity to recognize publicly that the process has been completely inappropriate against the kinds of issues we are dealing with, and that further hearings should be established and set up here in Peterborough so that we can give this bill the proper and due consideration that is its due.

**Mr Sampson:** As I speak to this particular motion—and I'll make my comments quick because we have a late night tonight and presenters who want to present—I think it's important for the people of Peterborough to know that we have spent, at the end of tonight, after the 9:30 presentation, more committee time in reviewing this piece of legislation than any other piece of legislation over the last 10 years in this province.

It certainly reflects the extent and nature of the bill. There were a number of other offers to the House leaders of the various parties. The opposition parties, when the



time allotment for committee work was being established—that's the usual process in the House—as one of the offers actually had us spending one more week reviewing these documents among ourselves so that we could make sure that the amendments were indeed appropriate before we started clause-by-clause review, but that offer was turned down by the opposition House leaders.

1720

I think it's also important to note that it's not this side of the table that determines who has the opportunity to sit at the table to make verbal presentations to us. That was a procedure that was established by all three parties before this committee started its hearings. We stuck to that agenda throughout the extent of the hearings. The list of people presenting here has not been determined by us, although some people would lead you to believe that.

We are listening. We have tabled amendments. Yesterday we tabled amendments; today we've tabled amendments, some of them frankly technical in nature dealing with the traditional and usual drafting edits one normally sees in any legislation, some being substantive, reflecting what we've been able to hear from the various groups that have been before us and how we've responded to that. There may be more. We are not finished our hearings yet. There are presenters who are yet to come before us tonight, and we will continue to listen and respond to those issues and concerns as we see that we should.

Mr Speaker—Mr Chairman, I would like to pass now and say that we will be voting against this particular motion.

**The Chair:** I don't think I would want that promotion actually, Mr Sampson.

**Mr Phillips:** I want to speak about the motion. I think the government should be ashamed of itself in the process you've followed here. It's an embarrassment to you and an insult to the people of Ontario. I mean that as—

*Interruption.*

**Mr Phillips:** Just in case everybody in the area doesn't appreciate it, this bill was introduced at 3:30 on November 29 when my colleagues were locked up reviewing the fiscal statement of the government. The only way we could see the fiscal statement was to be locked up. They knew that and they deliberately, at 3:30 when we could not leave the lockup until 4, tabled this bill. Why did they do it? Because they were going to try and ram this thing through in two weeks.

This bill is unprecedented. For those of you who haven't had a chance to study it, it impacts every single hospital, every single doctor, every single senior on drug benefit plans. It takes \$250 million out of public sector pensions, which they tried to do and the courts told them they were acting illegally. So what do they do? They're trying to pass a law here to exempt themselves from the Pension Benefits Act. That's the act that protects everybody, but they're trying to exempt themselves from the Pension Benefits Act. It is a disgrace what they tried to do with this.

I will say that when I got the bill, the first thing I did was I went to the back of the bill because I figured the way this government operates, that's the one that has the

most potential for damage. And what's there? It's the arbitration. It's the area where you promised—you promised the firefighters of this province you would not touch the Fire Departments Act without consultation. This does that. You promised the police organizations you were going to take the cuffs off the police organizations. Well, you're taking the cuffs off them and putting them on the arbitrators. You completely handcuff the arbitrators. Fair collective bargaining is gone for those individuals. And they wanted to ram this thing through in two weeks. Absolutely unheard of.

Finally, with a little bit of pressure, they said, "All right, we'll give you some hearings" the member just talked about, "all before Christmas, all in Toronto, and with no intention of making substantive amendments." As I believe strongly, I thought this was a mean-spirited bill when it was introduced and now it's clear it's not only mean-spirited; it's incompetent. We now find today, if you listen carefully, we now have 63 amendments being tabled here at 5:25, deliberately being tabled before—none of you can see these amendments; you won't see these amendments when you make your presentation. We now, I think, have about 140 amendments to this bill, and I will say to groups that are presenting tonight that we will begin what's called clause-by-clause hearings on Monday. If we have an hour at clause-by-clause to discuss the issues of the police organizations and the firefighters, I will be surprised. That's why they have it at schedule Q. Come next Friday, we may get one hour to discuss this, because they're going to ram this thing through. For sure on January 29, this will become law.

It is an absolute insult and I think some of the government members know that. I think some of the government members, if they could turn it back, wouldn't allow this to happen, but you are allowing it to happen. For the public, they are thumbing their noses at you.

I say there will be some groups tonight supporting this bill. Frankly, they'll support a portion of the bill with no idea of what's in the rest of the bill, but we're going to pass one bill. I will say to those who support the bill tonight, you better understand what you're supporting, because you're trampling on the rights of a lot of individuals in this province. This document promised no new user fees; it promised they wouldn't touch health care; it promised they would protect classroom spending; it promised it would protect our policing spending. This bill does exactly the opposite.

So if you wonder why the opposition and, I think, many of the public are angry, it's because this betrays a fundamental right of people to have an opportunity for input into legislation that affects them dramatically. This bill is going to be rammed through. Tonight we'll see, as we've seen since the hearings began, as we move motions that are defeated, the government has no intention of extending the hearings and giving people an opportunity for further debate.

It frankly is a sad day. It's a sad day for Ontario; it's a sad day for the Conservative Party. This is not the Progressive Conservative Party of Bill Davis, Leslie Frost and Robarts. It's a totally different party, and this bill is an embarrassment to you.



**The Chair:** Before I put the motion, I want to welcome Mr Stewart from Peterborough, Mr Galt from Northumberland and Mr O'Toole from Durham East to the committee tonight.

Eligible to vote are Mr Silipo, Mr Phillips, Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young.

**Mr Silipo:** Recorded vote.

**Ayes**

Phillips, Silipo.

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

*Interruption.*

**The Chair:** Order, please.

Mr Silipo, do you want to move this motion, in light of the—

**Mr Silipo:** Mr Chair, I certainly do want to move it, particularly, I have to say, in light of Mr Sampson tabling some further amendments with us. I'll speak to that.

The motion is as follows:

Whereas the government indicated as early as December 18, 1995, that it had prepared amendments to Bill 26; and

Whereas the government plans substantial amendments and has only presented a few of them; and

Whereas presenters should be aware of all of the substantive amendments being proposed;

I move that this committee insist that the government immediately table the remaining proposed amendments so that the amendments can be part of the considerations during the presentations in Peterborough.

We've heard from Mr Sampson on behalf of the government that he's just tabled another 64 amendments, I believe he said. That's in addition to the eight amendments that were tabled yesterday and in addition to the 60 or so amendments that were tabled through the health part of the committee between Wednesday, I believe, and today. Today there were over 50 amendments tabled in the other part of the committee.

I have to say that I just find the process that the government has followed on this flabbergasting, to say the least. I appreciate the fact that the government is moving amendments. So far, the eight amendments that I've seen are ones that remove some of the draconian measures that are in this bill. I would think that really at the end of the day there ought to be only one amendment, and that is that you take sections A, B, C, D and E, with a couple of amendments, you pass those sections, because I think there's general agreement on those, and you withdraw the rest of the bill. That could be done in three amendments, I would suggest. But of course, what the government is doing is it's going to continue to run roughshod over the democratic principle. It's going to continue to insist that this bill be passed.

1730

I'll be interested in seeing what the amendments are that we have before us. I find it passing strange that we were, this morning, in Kingston. We had some indication earlier today that there would be amendments, and yet we

had to wait until we began the hearings this evening to have those tabled, and we still don't know what they are. We still don't know what those amendments are. Some are technical, and that's fine, that's been the normal course of things, although again I say to the government, the fact that you rushed this bill means that there would be of course technical amendments, because you just rushed to draft this bill.

But I'm more interested, quite frankly, in the substantive amendments. I don't know if in the additional amendments some of the issues that were not addressed in the earlier package are addressed. It would be useful to know that; it would be useful for the presenters to know that. That's what this motion is suggesting, that in fact we get those substantial amendments, we know what they are, that the people presenting know what they are so that they know whether the concerns they have are being addressed or not by these amendments. I suspect that some of them will and most of them will not, and that is what continues to be fundamentally wrong with what the government is doing. So we will continue with the process. We will see where it will get us, but I'm sure we haven't seen the last of amendments, and that's why this motion still is necessary.

**Mr Sampson:** As I said earlier when I tabled the amendments, there are indeed both technical and substantive amendments, the technical ones, the traditional drafting ones, and the substantive ones reflecting, frankly, the general theme that we've heard as we've gone around the province and through our session in Toronto in December.

I'm a bit concerned that we have over the last week had recommendations from the other side of the table to table amendments when numerous times that I have been able to look back at procedures of various committees, that hadn't been done by the other side until the committee was in clause-by-clause review. However, they seem to have come to a different view of life now that they're on the opposition side of the table.

This particular motion, I'm afraid, although we've tabled the amendments that we have to date—and I want to re-emphasize to date, because we have people yet to come before us and we're listening with an open mind, and there may be some amendments that reflect the discussions that we have tonight and the discussions that we will have among ourselves as we review the written submissions through the weekend. So at this point in time our side has tabled the amendments that we have prepared so far. I cannot speak for the health side. Unfortunately, Mr Silipo's amendment, I believe, is broad enough to cover the health side. I am not aware of that committee's work to date. We set up these two committees so they could be separate and independent of each other and review the pieces of legislation separately and independently.

With respect to that particular motion, I think we'll vote against it, but I want to make it clear that we have tabled amendments that we have prepared as a result of (a) the continued technical review of the bill and (b) the comments that have been received from the people of Ontario as we've gone around in this committee process.



**Mr Phillips:** Again, this is part of this process of thumbing your nose at the public. Five minutes into the hearings when we began back on December 18, Al Leach came and said he's got a couple of amendments he'll be proposing. That's on December 18. We said: "Fine. Let's see them so that people can understand them." We asked for them to be tabled. They wouldn't table them.

We were in Thunder Bay at 9 o'clock Wednesday morning insisting that the amendments be tabled, and the government gave us the same old song and dance. "No, we're going to wait till all this process is over before we table any amendments." That's what they told us at 9 o'clock. And at exactly that time, about 1,200 kilometres away, the government was tabling amendments in the other half of the committee.

So out of one side of their mouth, they're saying "We're not going to table any amendments until we begin clause-by-clause." Out of the other side of their mouth, they're tabling amendments in Kitchener. This is serious. You're misleading people. You're saying you won't table the amendments and then you're tabling the amendments. This is a shame.

Just yesterday, we were in Ottawa. We were told we would be getting some amendments tabled at 1 o'clock. It happened there was a warden presenting at 1 o'clock, and the amendment that they were going to table wouldn't have met with the warden's approval, so they waited till 2 o'clock to table the amendment. The warden presented, left, and then they tabled the amendment indicating they weren't going to accommodate the warden's concerns.

What we find in this process is an embarrassment to dealing with major problems of people in this province. For everyone that presents tonight, this bill has major implications, for every organization: for the chamber, for the Ontario Federation of Anglers and Hunters, for the social planning council, for the mayor, and certainly for the police organizations. You're going to give them—snap—that much time.

Frankly, embarrassingly enough, we probably will have virtually no time next week in clause-by-clause to deal with your issue. Why? Because it's schedule Q. Why is it schedule Q? Because they don't want much discussion on it. It will go schedule A, schedule B etc. It's schedule Q, so that on Friday there will be virtually no opportunity for discussion and debate.

You're dealing with these people's lives. You're dealing with the level of police services. In this bill, it gives the arbitrator the right to determine service levels. Well, the member shakes his head, but I guarantee you they'll have to set up some amendment to fix this bill, because it does do that right now. You want to deal with something that important in one hour or two hours of debate. You can see, when the member said earlier that each party selects who can be on, yes, we want to have 12 groups on and they give us three spots. Who do you choose? We think everybody should have had an opportunity for input on this bill.

So you're seeing, ladies and gentlemen, the full face of the Conservative government here and how it chooses to deal with the public. They're trying to ram a bill through. We now have 130 amendments. We are going to have a

total of 40 hours to discuss this whole bill, probably 200 amendments, and to deal with people's lives next week. I guarantee you this government will ram this bill through on January 29, and I think with fairly little idea of what in the world they are doing.

So I'm sorry to take the time, Mr Chair, but we will hear everyone tonight. We will stay until each group has had its full half-hour. But I think the groups here in Peterborough, and some will be supporting this bill, should understand what they're supporting, both in content and process. It's an embarrassment on both sides to this government.

**The Chair:** Thank you, Mr Phillips. Now I'll put the motion.

**Ayes**

Phillips, Silipo.

**Nays**

Hardeman, Sampson, Tascona, Young.

**The Chair:** I declare the motion lost.

#### POLICE ASSOCIATION OF ONTARIO

**The Chair:** Ladies and gentlemen, we can start with our deputants this evening. The first deputant we have before us is the police association. Gentlemen, welcome. You have half an hour this evening to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation for a response, questions from the three caucuses. I'd appreciate it if at the beginning of your presentation you'd introduce yourselves for the benefit of Hansard and committee members.

**Mr John Moor:** Thank you, Mr Chairman. Just before our clock starts running on our half-hour, I'd like to ask if we could be told how we could get copies of those amendments and, if we can get copies of them, where we can get them.

**The Chair:** Through the Clerk's office, Monday morning.

**Mr Phillips:** Same time we'll get them.

**Mr Moor:** Thank you. In regard to the introductions, with your concurrence, Mr Chairman, each individual at the table will be speaking after myself, and they'll introduce themselves as they make their presentation.

Thank you, Mr Chairman and members of the committee, for the opportunity to be here this afternoon. My name is John Moor and I'm the president of the Police Association of Ontario. I'm also a sergeant with the Windsor Police Service and the president of the Windsor Police Association. I'm accompanied here today by several of my colleagues. I've provided a list of the speakers to the committee, with the clerk.

As the committee may recall, we appeared before you one week ago today and we expressed our anger at that time over the abandonment of the promise made by Mike Harris and the Progressive Conservative government to guarantee police funding. We spoke at that time of the promises that had been made prior to the election and commitments made by the Premier to guarantee funding for law enforcement and to increase safety within our



communities. We told you how we felt betrayed by the cuts to the municipalities announced on November 29, combined with the measures included in Bill 26, and the impact these measures would have on policing and public safety. We told you that the proposed amendments to our arbitration system were both unwarranted and inappropriate.

1740

In the period of time since the cuts were announced, we have met with the Premier and on separate occasions we have met with six different members of his cabinet. All those members appeared genuinely interested in our concerns that we were putting forward, but to date none of them have provided any signal that they are prepared to change their course. The only suggestion that we have been given is that we prepare a list of amendments for the government's consideration. As a result, we find ourselves before you here again today for the purpose of presenting you with that list of proposed amendments, to elaborate the concerns we identified last week, and to provide more evidence, evidence that we hope will satisfy this committee that there is a crisis looming in policing in this province at the very hands of the government that promised to provide more support and priority for the police.

Our presentation today will focus on several issues. First, Paul Walter will discuss the elimination of early retirement as a tool to assist police services in restructuring their organizations. The continuation of these provisions would have assisted police services in further reducing staff in the senior levels while maintaining or preferably increasing the front-line younger officers who still possess the confidence to do their jobs and make a difference.

We will then call upon several police association representatives from various communities in Ontario to speak about the current erosion of police activity within their communities, combined with the projected impact of the budget cuts.

Brian Adkin of the Ontario Provincial Police Association will review the problem with duplicity in police oversight.

Finally, we will review our specific proposals to amend Bill 26.

I'd ask Paul Walter to elaborate now on the issue of early retirement for police officers.

**Mr Paul Walter:** Good afternoon, Mr Chair and committee members. My name is Paul Walter. I'm the president of the Metropolitan Toronto Police Association.

I want to draw the committee's attention to the fact that there is one important item that has to date been all but ignored in the public discussion surrounding Bill 26. I'm referring to early retirement benefits for police officers. Unless this issue is addressed appropriately and addressed immediately, it will not be possible to properly manage the very limited police resources that exist in this province today.

Virtually all municipal police officers and municipal workers make pension contributions to the Ontario municipal employees retirement system, most commonly referred to by its acronym, OMERS. The only exclusion are those employees who belong to the municipal plans

which remain in effect for employees hired before OMERS was introduced.

Under the OMERS plan, the normal retirement age for most employees is 65. This is known as NRA 65. There is one important exception made for police and firefighters. In recognition of the fact that these two professions, but especially the police, particularly in my view, perform far more rigorous and demanding duties than the average municipal worker, the normal retirement age for police and fire is 60, or NRA 60. In other words, as a matter of long-standing convention, the police can retire substantially earlier than other employee groups.

It is important, therefore, for this committee and the provincial government to understand that historically police officers have always been able to retire earlier than other groups in society. It is equally crucial for you to understand that historically police officers have paid higher pension contributions than others in order to finance this improved pension benefit. There is a section on page 5 and part of page 6 that describes the OMERS basic plan, and you can refer to that. I won't go into the detail.

In tandem with the social contract, and to facilitate downsizing, the prior government introduced the OMERS supplementary type 7 regulation in spring 1993 for early retirement benefits. As is the case with all supplementary benefits, employers could opt into the type 7 benefits upon agreement with the employees and their bargaining agents. The benefits allowed for the minimum retirement age to be reduced by five years, the retirement factor to be reduced by 10 points, and the normal retirement age to be reduced by five years.

Initially, the type 7 failed to recognize the historical treatment afforded to police. At the risk of oversimplification, since there are a number of combinations of options available under the type 7, suffice it to say that the most important early retirement benefit made available was an 80 factor, minimum age 50 provision. While this was of great benefit to NRA 65 members of the plan, it was of absolutely no use to the police officers in this province, since they could already retire at age 50 after 30 years of service.

When the shortcomings of the type 7 were explained to the NDP government, the benefit was improved somewhat to accommodate the special position of the police and to recognize that historically the police have always been able to retire earlier than other groups. Again at the risk of oversimplification, the type 7 was amended to enable police officers to retire under a 75 factor, provided they were at least 45 years of age.

Many employers, municipal and police, utilized type 7 as a way of achieving permanent savings to deal with their social contract and expenditure control reductions. Indeed, the demand has surfaced from employer and employee groups alike to continue the type 7 provisions beyond the conclusion of the social contract to deal with anticipated funding concerns. The board of OMERS has recommended this extension to the province for both NRA 65 and NRA 60 members.

As we understand it, however, this government intends to provide for the future availability of the type 7 benefit only to NRA 65 members of OMERS. In other words, the



75 factor that has previously applied to police officers in this province is to be abolished. This is totally unacceptable to police officers throughout the province, particularly since what they really need is the ability to retire after 25 years of service, regardless of their ages. This is a benefit afforded to many police officers across the country and it is already in place in Metropolitan Toronto for officers who were hired before July 1, 1968.

In the present policing and budgetary climate, there are compelling reasons to improve early retirement benefits for all police personnel. For example, there has to be a much greater turnover of police personnel, since police forces everywhere are aging fast. In that regard, it is interesting to note that the average age of officers on the Metropolitan Toronto Police Force now exceeds 42, whereas the International Association of Chiefs of Police has estimated that the optimum average age for a police force is 28. Furthermore, an infusion of younger officers, with a corresponding decrease in the number of older officers, is a far more cost-effective way of providing policing services to the people of Ontario.

It is absolutely crucial that a 75 factor be made available to police officers under this government's extension of the OMERS type 7. There can be no rationale, historical or otherwise, for allowing other groups to have the 80 factor while yet denying the police a comparable reduction to a 75 factor.

The nature of the cuts being contemplated for police services will undoubtedly result in the need for some police employers to reduce staff. Surely this government would prefer that older officers be provided the opportunity to end their careers with the dignity of early retirement as opposed to the layoffs of younger, more able-bodied personnel.

A compelling but unfortunate explanation for this oversight is that it is deliberate. AMO and the PSBs, the police services boards, have long opposed better pensions for police and have long advocated the kinds of arbitrary and unfair restrictions on the interest arbitration process that have found their way into schedule Q.

It has been suggested that this government has listened to those interest groups to the exclusion of the men and women who actually keep this province safe. We do not take this insult lightly. If this government is truly serious about public safety and law-and-order issues, it will cease treating rank-and-file police personnel with indifference. It will listen to their views with an open mind and stop making public policy behind closed doors. If anything positive is to come out of the Bill 26 fiasco, let us hope, at the very least, that in the future the government will show greater respect for the system of responsible government that it is sworn to uphold. Neither we, as police officers and civilian support staff, nor the public we serve will accept anything less.

1750

**Mr Paul LaCourse:** Good afternoon. My name is Paul LaCourse and I'm the administrator of the Halton Regional Police Association. I am here today to inform you of the concerns of the rank-and-file police officers and civilian employees of the Halton Regional Police Association. We police an area served by four Progress-

ive Conservative MPPs, including committee member Mr Young.

Mr Young, previous funding cuts resulting from the social contract and expenditure control plan have already drastically reduced the level of police services provided in Halton region. We have seen a reduction in the hours police stations are opened for the public. Citizens who are in distress in your community can no longer expect to seek refuge at their local police station, for they can expect to find the doors locked if they arrive after 5 pm.

Clearly, funding restrictions have had a major impact on the ability to hire needed police officers and essential civilian staff such as dispatchers, who are both the police officers' and the public's lifeline.

A 1990 Ministry of the Solicitor General study into staffing levels concluded the Halton Regional Police Service should have 447 police officers. The 1996 budget allows for 307 police officers and our current complement is 297 police officers—150 short. The evidence is overwhelming that the Halton Regional Police Service is severely understaffed. In fact, the number of available police officers on any given day or night is lower right now than it was back in the 1980s.

In Halton, crime is not decreasing and violent crime is on the increase at an alarming rate. Our institutions have been liberalized to the extent that we now need police presence in our schools.

Further funding cuts and further reductions in staff will have an increased impact on both police and public safety. If the police can't protect themselves, they can't protect the public. I'm sure this is not the type of community safety you expect for the members of your community and your family. It's certainly not what we expect from this government.

The taxpayers aren't angry with police personnel who deliver a service so vital to this province. They know the job is not getting any easier. Citizens are, though, angry at politicians and bureaucrats who rearrange the furniture without solving the problems.

We understand the fiscal difficulties the province is presently in. However, this government made a promise that policing would be a priority. We urge you to live up to your promises and maintain funding for police services in this province. Bill 26 as it stands is not responsible governance, as it clearly reduces a service which is so vital and necessary.

**Mr Stu Campbell:** My name is Stu Campbell. I am the administrator of the Peel Regional Police Association. I'm here on behalf of 1,500 front-line police and civilian members of our association. As members of one of the largest municipal organizations in the province, our members have requested that I deliver a strong message to Premier Harris and the Progressive Conservative government. We also have a number of Progressive Conservative MPPs in our community, including Mr Sampson.

Our members, like many others in the police community, believed Mr Runciman when he stood before our membership and campaigned on a law-and-order campaign with protection for police budgets. This occurred not very many months ago, yet now we have learned that the hit on the Peel Regional Police will be in excess of \$1 million this year. We do not believe that this reflects



protection or the type of guarantees promised on the election trail. We do not believe, Mr Sampson, that this reflects the platform that you presented to the citizens of your community when you were elected.

On a regular and recurring basis, our members face angry residents who want not less but more police on the streets. As the attached newspaper clippings at the back of the booklet demonstrate, the citizens of Peel want no more cuts to the budget. Demands are increasing as the population grows in Peel, and plans to build a new police station for the citizens of Malton were just recently axed due to budget cuts. The citizens of Malton were understandably upset by this announcement.

We in Peel cannot meet the demands for policing our community at present, never mind the additional extraction of \$1 million from our budget. The per capita cost for policing in the region of Peel is an efficient \$148.32. When this figure is compared to the per capita cost in 1992, there is only a 3.7% increase.

Wake up, Premier Harris. We have been doing more with less for years and our citizens are no longer prepared to wait longer and longer to receive police services. The citizens of Peel in attendance at the community meeting on Tuesday, January 16, numbered over 400. Their message was simple: They want more police on the streets and sufficient staff to deal with their concerns. They want protection for their families, not budget cuts. They want the types of things, Mr Sampson, that your government promised and is now failing to deliver.

These citizens are outraged at the cuts which are being felt at the front-line police personnel level. Rest assured that our members will be clearly informed that they do not have to make excuses to citizens in Peel when they are going from call to call and cannot keep up with the volume of calls for service. They will be counselled that this responsibility rests with you, Mr Sampson, and the Mike Harris government.

As crimes to persons and property increase on a dramatic scale, the very citizens who elected this party into power are realizing they have become sacrificial lambs. The platforms this government promoted are not being adhered to. Bill 26 will castrate police services and have long-range social impact for all citizens of this province and cannot be allowed to proceed.

Just as an add-on, prior to attending this meeting today I generated computer stats of the number of priority 1 calls and priority 2 calls in the region of Peel that police officers could not attend to because they weren't available, they had other calls to attend to. Over 14 days, the first 14 days of this year, we had 142 priority 1 calls that could not be attended to by a police officer; we had 613 priority 2 calls that could not be attended by a police officer.

I'll just give you a quick definition of what we consider a priority 1 call: Immediate mobile dispatch; patrol officer dispatched on receipt of call. The criteria which would indicate the need for immediate dispatch would be situations that actually or potentially produce serious bodily harm, injury or death to any person; a peace officer requires immediate assistance; immediate potential for property damage or injury to another; crimes are in progress, the suspect is present and is likely to repeat the

offence or flee to avoid apprehension. Just to reiterate those numbers: In a 14-day span, 142 priority 1 calls with no officers available to attend; 613 priority 2 calls. It's not acceptable. We're not going to accept it. It's 10 calls per day, and if that continues, somebody's going to get hurt, somebody from the public or one of our officers.

**1800**

**Mr Mark McConkey:** Good afternoon. My name is Mark McConkey. I'm a director with the Durham Regional Police Association and a 29-year front-line officer. Mr O'Toole is the MPP in our area. The members of the Durham Regional Police Association are greatly concerned with the ramifications of Bill 26, in particular the reduction in transfer payments to the municipalities. If these reductions go ahead, the impact on the police budget could be devastating and would have a severe impact on police services in Durham region.

The only way we can see these reductions not taking effect would be, first of all, if the provincial government holds true to its election promise that, "Funding for law enforcement and justice will be guaranteed." The other alternative might be tax increases which, in these difficult times, we would be reluctant to see.

Prior to the provincial election, our police association held a political forum. We asked point-blank questions to the politicians and their responses were what we based our support on. The Progressive Conservative Party campaigned on a Common Sense Revolution. To directly quote from Mr Harris's blueprint, page 27 of volume 3, *New Directions*, under the heading of "Police," it categorically states:

"While the support of the public is essential for police to fulfil their duties, the financial and moral support coming from government is equally important. The level of financial support determines the type and extent of services police can offer, while the moral support offered by government is key to determining police morale and effectiveness."

Well, Mr O'Toole, if this reduction in transfer payments is a demonstration of the kind of financial and moral support the Harris government is offering, we feel we have been financially stabbed in the back. Our trust in your government to honour its commitments has been badly misplaced. We ask that Bill 26 be amended to reflect the provincial government's promised commitment to ensure funding for police services.

We in Durham region, like many other municipalities across the province, can tell personal tales of how important the police are in a community. Etched in our memories is the terrible night of October 20, 1994, when two of our officers, along with myself, were gunned down during a bank robbery in Port Perry, Ontario. You just have to look at my face to see a result of that night. I'd also like to note that two civilians were also wounded and two elderly persons were held hostage that night. It is a night we will never, ever forget. I am lucky to be alive, to be here talking to you. I owe my life to the speedy response of my fellow officers and officers from other police services and members of the community who rushed to my side. They were there when I needed them most. I'm one of the lucky ones. There are other officers in the province who have not been so lucky.



I shudder to think what possible cutbacks to our police services could bring to our community. I am thankful that when I needed help, it was there for me. Hopefully, it will still be there in the future for us all.

*Interruption.*

**The Chair:** Order, please. There's time left for the witnesses. We'd like to hear them.

**Mr Brian Adkin:** My name is Brian Adkin and I'm the president of the Ontario Provincial Police Association. We are aware of the tough choices which your government will have to make. We need you to collectively make those decisions that will provide our police forces with increased funding and front-line personnel. There are ways in which you can achieve the savings without cutting police budgets.

This government promised to guarantee funding for police and to reduce the red tape. Why then are we being told that police budgets are going to have to be cut?

Police officers are undoubtedly the most overregulated occupation in the province. Decisions made by police officers in fractions of seconds are investigated, reviewed and dissected over months and years by numerous agencies such as the special investigations unit, the police complaints commissioner, the Ontario Civilian Commission on Police Services and the board of inquiry. In addition to these regulatory bodies, police officers are also reviewed on a daily basis by the court systems. Police forces are also required to maintain investigators to perform complaint and internal discipline investigations.

These agencies continue to flourish and costs continue to accrue. Is this really the best use of public funds? While there is a place for the SIU, we have to ask you to examine the funding of these oversight bodies with a microscope. Their responsibilities should be limited to all but the most extreme of cases.

The oversight philosophy emanated from the 1980s, at a time when special-interest groups felt they were required. However, when police budgets are being reduced and attacked, we can no longer afford such a luxury. What was viewed as a simple process has become very complex and time-consuming. The legislation for these agencies must be reviewed and changed. The funds currently allotted for these agencies must be reduced and returned to actual policing.

The citizens of Ontario are not aware of the onerous nature and high costs of police oversight. They do not understand the time and dollars expended by investigators to investigate these often frivolous complaints. Complaints about how officers gave out traffic tickets and how the officer was perceived to look differently at a violator should not be the subject of investigations. Police forces are capable of looking after these types of issues and resolving them at a very practical, economical level. Areas of responsibility between these agencies must, at a minimum, be streamlined to prevent the duplication of tasks which frequently occurs.

It's time to return the basics of police service back to the customers, to the people of Ontario, who need reliable policing and safe communities. They do not want their money spent on thousands of unfounded complaints against police; they want it to be used to protect the

public at a time when they need to be protected. This area is the police service boards' responsibility, and we need the government to give this authority to them.

Another glaring example of poor investment is the recently published report of the Commission on Systemic Racism in the Ontario Justice System. This project reportedly cost \$5 million. It was two years overdue, and is the result of a study by persons predisposed to the predetermined conclusion. The citizens of Ontario did not get value for their money. The citizens of Ontario are not safer as a result of this report; in fact the report advocates that police be tied up in more red tape, red tape that the Harris government promised to reduce. While this commission on systemic racism may not be a term known to every citizen, such names as Linda Shaw, Paul Bernardo, Todd Baylis and Alison Parrott are.

The police role in society is one which touches all aspects of rural and urban Ontario. When people work, when they travel, when they shop, the police are involved. We are an integral part of the business environment at all times. We are charged with keeping areas safe.

**Mr Moor:** In conclusion, we are not overreacting to the financial statement and Bill 26. There are many, many more examples we could give, such as Niagara region, where it has been requested that the police budget be reduced by \$3.75 million this year, or in Mr Tascona's riding, where the Barrie Police Services has been operating with a police-to-population ratio of 1 to 857, compared to the provincial average of 1 to 620. Members of the Barrie police association are here today, Mr Tascona, and they share our concern that you and the Mike Harris government have not kept your commitments to nor your promises about public safety.

As I said at the start in the opening address, we hope to bring evidence before this committee, and especially the government members, that a crisis is looming in this province, a crisis in policing that is only going to get worse if you continue down this path with Bill 26. We would implore you to make the necessary amendments to Bill 26 to keep your commitments to the people of this province and the police officers who are in this room today and out policing the street while we're sitting here.

*Interruption.*

**The Chair:** Order, please. We've effectively exhausted the time, but I will allow a response from each of the caucuses.

1810

**Mr Phillips:** I can understand the anger. I don't think there is any question, during the election you were given a very solemn undertaking by the government. Frankly, I think a lot of police officers in this province supported the government for that reason. I carry this around with me all the time, which is their document, and it's very clear. It says:

"The people of Ontario are rightly concerned about community safety in our province, particularly the increasing incidence of violent crime. That is why funding for law enforcement and justice will be guaranteed."

There was a very solemn undertaking to your organization of that and, frankly, it's been broken. What happened was—and there's no doubt of this—the govern-



ment went to the Association of Municipalities of Ontario and said: "We're going to cut your funding in half, cut your grants in half. What can we do to stop you from complaining too much?" And they said, "Well, let us raise fees, licences, and let us deal with the police organizations by putting the cuffs on the arbitrators." The way this bill is written exists nowhere else in Canada, for arbitrators. It existed once under wage control plans in two provinces and then went out because it didn't work.

So I understand your frustration, and what you end up with is a process that, in my opinion, doesn't represent fair bargaining for our police organizations and, furthermore, in my opinion, allows the arbitrator to make decisions around servicing that will impact on the safety of the public.

I understand your anger tonight and we will do what we can to restore fair bargaining, particularly fair bargaining for your organization, and to ensure that they treat your organizations fairly. Frankly, I wish I could hold out a lot of hope that we'll be successful. I think they've made some commitments to municipalities around your area. You weren't at the bargaining table, somebody else was, and you were bargained away.

**Mr Silipo:** Thank you very much for the presentation, and thank you particularly for going beyond the presentation that you gave to us last week. What I found the most useful was that you took the presentation—as important as the one last week was—one step further by giving us not only a sense of some additional issues that you feel need to be addressed, but also with the broad number of examples that you've used, giving us a fairly good sense of what you see happening across the province, in a way. That's quite useful for us as members of the committee, both government and opposition members, to see.

I think, like Mr Phillips, I would not hold out a lot of hope that some of the basic issues that you are raising are going to be addressed, but hope springs eternal, as they say, and I think we need to keep looking at this. I don't know if in the amendments Mr Sampson presented to us tonight some of these issues are addressed.

I see also in your amendments that you are, in effect, also attempting to tone down, or to accommodate, it seems to me, what the government may be interested in doing. If time allowed, I'd be interested in pursuing a little bit more the suggested amendment that you're making to the arbitration positions because it seems to me that, even with that amendment, it would still pose some dangers for the members of your association. But, as I say, perhaps outside of this committee we can pursue that point.

**Mr Tascona:** I'd like to thank you for your presentation. I've had a chance to go over the amendments. I have some familiarity with police service labour relations and I certainly say this, with the OMERS type 7, that's something that certainly should be looked at. I thank you for bringing that forth.

With respect to the other areas of your amendments, certainly I recognize what would appear to be the primary concern, and you're trying to make that point, is in terms of the funding. I'd like to say, though, that schedule M and Bill 26 doesn't change the appeal process. We certainly haven't given municipalities power to take over

a police services board. We haven't given them power to make any appointments.

But I recognize your concern in terms of the way you've drafted the amendments, in terms of the concern, and I know from my own riding of some statements that have been made, which I don't share, by certain elected officials, but that's something that will have to be shored up and it will be shored up.

With schedule Q, I appreciate your comments. They are right on point. I don't share the scaremongering of my friends in terms of what schedule Q means. You've made responsible recommendations. I know where your concerns are and I can tell you that the government will look at those. Certainly we have looked at them from what you presented the previous week and I thank you for your presentation.

**The Chair:** Thank you, gentlemen, for coming forward today and making your presentation to the committee. We appreciate your time.

#### WHITBY CHAMBER OF COMMERCE

**The Chair:** May I please have representatives from the Whitby Chamber of Commerce come forward.

#### *Interjections.*

**The Chair:** Committee members, we're not in a recess. Perhaps we could get moving—order, please—so we can hear the next deputants.

Welcome to the standing committee on general government. You have one half-hour this evening to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain questions or responses from the three caucuses. I would appreciate it if for the benefit of Hansard and committee members you'd read your names and organization into the record at the beginning of your presentation.

**Mr Allan Faux:** Good evening, ladies and gentlemen. My name is Allan Faux and I'm president of the Whitby Chamber of Commerce. The Whitby Chamber of Commerce is pleased to present the submission to this committee on general government for its consideration. I'm here tonight with two members of the chamber. Deb Sweetman is chairman of the government relations committee and our resident expert on matters of a legal nature, and we'll discuss the issues outlined in Bill 26 on municipal government. Marc Kealey is also a member of our government relations committee and is extremely knowledgeable on government relations and is the chamber's resident specialist in health care. He will comment on some of those schedules included in the bill.

To give you an overview, the Whitby Chamber of Commerce, with over 500 members representing well over 1,500 employees, is very active in government relations and has endeavoured over the past years to be an active participant in the process afforded us by our government to express our views, regardless of perception and without prejudice, for the benefit of our membership.

We'd like to point out that in 1995 Ontarians overwhelmingly voted for change, a change where the will for restructuring is larger today than it ever has been. The people of this province have given the government a



mandate to pursue this change, and the promise we have been given is that government will get out of the business of competing with the private sector. The pith and substance of Bill 26 captures that promise, and we would like to offer some comments for the committee's consideration.

Obviously, the purpose of Bill 26 is to embrace a new culture of fiscal conservatism while promoting an environment of economic stability through a restructuring and a streamlining of what in reality government should provide to the people of this province.

1820

Obviously, at first blush, this is very ambitious and we recognize that it's a radical step to which all Ontarians must adjust, and some may point out that it may seem unattainable. In our view, and as an organization committed to business development, growth and prosperity, we feel that the tenets of Bill 26 are not unattainable. However, we have some concerns, some serious and some minor.

First of all, we'd like to comment on schedules A through D. The Whitby Chamber of Commerce endorses the amendments to those acts and further wishes to add that under schedule A, the Public Sector Salary Disclosure Act, every attempt be made to explain clearly and publicly the role or roles of those employees who command salaries of over \$100,000.

With respect to schedule E, amendments to the Capital Investment Plan Act of 1993, wherein the government wishes to introduce an electronic toll system on highways designated as toll highways: The Whitby Chamber of Commerce has a concern that the government has not made a clear definition of what will or are deemed toll highways. In fact, our belief is that the government may arbitrarily designate highways as toll roads under the amendments of subsection 1(1) of the Capital Investment Plan Act. We're concerned too that disputes will arise and that a hearing will no longer be a right of an alleged violator of an unpaid toll. While we agree that the system is currently overcrowded as is, we maintain that electronic systems are always subject to error and removing the right to a hearing may provoke further aggravation for the government.

Further, it is our view that the tolls proposed should be designated to new highways only and surpluses from those toll roads should be put into a fund for the specific purpose of road maintenance and not general revenues. We want accountability.

Durham region is one of the fastest growing regions in this province and we have a terrible problem with major traffic routes to the west. The new Highway 407 is a classic example of a toll road designated highway and the 401 should not be targeted for designation.

**Mr Marc Kealey:** The Whitby Chamber of Commerce also believes that health care in the province of Ontario has reached a stage when affordability must come with a price. The amendments to the various acts in this schedule are aggressive and describe changes that are inevitable. However, the Whitby Chamber of Commerce has some concerns with the following:

Amendments to the Independent Health Facilities Act: It's our chamber's belief—and we more or less question

the motivation behind this amendment. It is our view that disclosure of patient information of any kind, except to the usual sources within the patient's right under the Canada Health Act, is an invasion of privacy. Further, if the intent is to reduce fraudulent claims to OHIP, perhaps the Ministry of Health could move quickly to out-source the OHIP system and/or provide a onetime capital investment to install the information systems to transport patient information across the system in a secured environment. We suggest that the government move immediately to redeveloping a smart card as a replacement for the current system, which we all know is fraught with fraud.

We'd also like to comment on the amendments to the Health Insurance Act. It is our belief at the Whitby chamber that medical services should be standard across the board. To vary the level of fees paid on the same medical service but in different locations is neither equitable nor realistic. We recognize that additional costs may be incurred at some locations as a result of transportation needs or lack of service, availability etc, but these costs are considered over and above the service being provided and we suggest that an alternative fund be available through other sources to remedy this issue.

At the same time, we find it very interesting that Bill 26 moves quickly to pass costs on to school boards and municipalities, suggesting that, for all intents and purposes, user fees could be established to pay for certain services, like the collection of garbage. It's curious that the sweeping changes being sought under this bill would not include a revenue generator for simple non-threatening health care services that may otherwise have been an extra burden on the system. From our perspective, it would appear that hospitals, for example, might applaud the opportunity to generate this kind of revenue.

Further, in the proposal it is suggested that a limit be placed on the number of physicians in any given area. The decision to proceed with this amendment should be done so in consultation with factors like growth, anticipated growth and community input, and not by the Minister of Health alone.

Also, it is our view that incentives are required to attract physicians to remote and rural areas, not in a manner we consider negative such as we perceive through this amendment. It is our hope that the committee considers amending this portion of the schedule to achieve relocation incentives through means consistent with the promotion of economic prosperity, perhaps tax incentives and guaranteed income amounts.

The chamber of commerce in Whitby believes that steps should be taken to ensure that Ontario remain an attractive place for new physicians to practice and those currently in practice. Perhaps one way to provide this may be to reduce the number of medical schools across the province. At this particular point, Ontario hospitals, for example, are under intense pressure to either merge or close, and it is our suggestion that perhaps this could happen with some of the medical schools in the province currently in existence.

I wish to comment on the establishment of a Health Services Restructuring Commission and that at the outset we think this is a very noble attempt. We believe and



endorse that regionalization and restructuring must occur to attain the precepts of the government's agenda, which is efficiency and economic prosperity.

Further, we believe it is fundamentally impossible for local governance, for example, to think regionally and act locally. To put this degree of pressure on any individual in a volunteer capacity as a hospital board member is tantamount to public flogging. It has been proven across the country that restructuring hurts and reactions, even if hostile, may be negative. This process has and will have serious effects on those who are in a voluntary governance position, like a hospital board. It is therefore agreed upon at the Whitby Chamber of Commerce that the commission functions be to move in and create the change where the likelihood of change could not occur if there is a negative reaction.

It is our view that the establishment of the Health Services Restructuring Commission have a sunset clause attached to it, and we're pleased that we're getting some information back from our sources that that may be looked at from a four-year perspective, so we're quite happy about that.

We believe that a predetermined time frame be attached to the commission and that the sunset clause close down the function of said commission in a reasonable passage of time.

**Ms Debbie Sweetman:** The Whitby Chamber of Commerce has demonstrated leadership in its understanding and participation in the restructuring of regional and municipal government. From the outset of the establishment of a GTA ministry, an advisory body to the former government, the Whitby Chamber of Commerce was at the table suggesting that disentanglement was the order of the day. We also encouraged the provincial government to accept that, in terms of local airport authorities, a seat from Durham region should be appointed. It was our contention that Pearson airport serves the entire province and is not the domain of Mississauga.

Under Bill 26, the government has asked for sweeping powers to amend the way regions are governed. This chamber of commerce heartily endorses the development of a GTA council. We concur that there is a need for avoidance of duplication of service and the creation of greater efficiency, but not at the expense of taxpayers in high-growth areas. There's a terrific amount of room for improvement in the delivery of services. We at the Whitby chamber believe that the market value assessment program implied in the Golden report would severely hamper the efforts of regions like Durham to attract industrial investment. The taxes that would be charged under a GTA MVA system would be prohibitive.

We agree that leadership must be taken. Perhaps the first step would be to disband Metro council altogether. Its antiquated jurisdiction provides no catalyst in high-growth areas like the outlying regions of Durham, Halton, Peel and York. In fact, we contend that a GTA government would likely be comprised of representatives from each of the regions in the GTA and that services such as road and sewer maintenance, snow removal etc, currently provided ineffectively by individual communities, should be contracted out.

We also propose that if a GTA body is established, greater emphasis must be placed in infrastructure in high-growth areas like Durham.

1830

**Mr Faux:** A brief comment on schedule Q: The Whitby Chamber of Commerce believes that arbitration at all costs is one of the reasons we have become as inefficient a province as we currently are. It is our belief that arbitrators in the past appear to have been the most unenlightened when adjudicating a decision. We wholeheartedly endorse the decision of the government to include the employer's ability to pay in the criteria allowance for arbitration.

We do thank you for the opportunity to address our concerns and offer our views on this important piece of legislation. We will continue to monitor the situation at Queen's Park for the benefit of our membership and we encourage this government to continue seeking public input during the change in environment which is currently going on, not only here but globally as well.

It is our hope that Ontario will once again regain the prominence as Canada's engine, and that spells prosperity through efficiency as we head towards the 21st century.

**The Chair:** Thank you. We have just over four minutes per caucus for questions, starting with Mr Silipo.

**Mr Silipo:** Thank you for the presentation. I can't help but note that of the three sections you support without changes, because I think, as I've looked at it, there are only three sections in here that you support without any changes, one is what we would call a routine bill which allows the government to borrow money to continue running its business, certainly non-controversial. The other two are budget measures that were presented by the previous NDP government. I just wanted to note that for the record.

Although you support generally what the government is doing, you do have a number of concerns, clearly, that you outline in your presentation. I think that's important for us to note as well, because it's been typical also of the kinds of presentations we've had from other chambers of commerce or boards of trade, as I'm sure you know. What people have been saying to us, even as they support clearly the government's action, as you do, it seems to me generally is that there really are pieces here that warrant some tidying up and in some cases some basic changes.

You are obviously concerned, because you say you are, but can you talk a little bit more about your concern around user fees? I'm sure you know about the changes that the government has proposed on municipal taxing powers. Those will be limited now by the amendments, which we're happy to see, but it still will be possible for municipalities to charge any number of fees. Some groups I think, including some chambers, it's fair to say, have said, "Call these things what you will, they're all taxes, and anything that increases the tax burden locally is not going to be of any help." Can you just talk a little bit more about your chamber's position on the broad powers that we see in this bill with respect to user fees, and I don't think that you touched on this, but licensing fees as well, because that's also something that's in this bill.



**Mr Kealey:** I think I'd like to take a stab at your question, Mr Silipo. I understand your implication. It's no longer a given that any chamber of commerce would come in front of a government committee like this and be automatically labelled either a conservative or a right-wing lobby group, so I appreciate your comments.

Secondly, in terms of a user fee, our chamber believes and our membership believes that there ought to be more private-public joint ventures. In terms of the burdens against the taxpayers, you're right. The threshold is, like, this big. We don't have room for any more taxes, and I agree with your comments.

By the same token, in terms of user fees for municipalities, I suppose that one thing we would wholeheartedly endorse ourselves is that municipal governments also take the responsibility of entertaining more private-public joint ventures. Water and waste water, sewers, would be perfect examples. Those are classic examples of areas where we could save a tremendous amount of money for the public sector. We applaud this government for saying that they have to get out of the business of competing against the private sector, and I think in a lot of ways it's a tenet of not only this chamber but many chambers that the private sector ought to have a role in a lot of functions currently being done by the government.

**Mr Silipo:** Do you automatically assume that by privatizing some of these services—you mentioned water service—they would be cheaper? I'm not trying to be controversial.

**Mr Kealey:** I do, Mr Silipo.

**Mr Silipo:** Okay. Then I hope you take a look at some of the things that some of the utilities have been saying to us. We've had example after example given to us of experience in the United States, let alone in Great Britain, where services like water services, I believe, and hydro services have been privatized and they end up costing people more.

**Mr Kealey:** If I may, I think your comments are well taken. I have a little experience in this, not only here but internationally. The tendency in a lot of areas, when they're creating water pumping stations, is to build Taj Mahals so that somebody's name can be on a plaque and they can have this marvellous ribbon-cutting ceremony. They're plants, for all intents and purposes, and the private sector is very conversant in how to save dollars. I think it's an important tenet that we uphold as a chamber.

**Mr John O'Toole (Durham East):** Thank you very much for your presentation. I just wanted to draw your attention to the designation of toll roads. Your view is that there should be no extension beyond new highways, and what you're saying is that the 401 would not, in your view, be the proper route to go as a toll road, right? I think if you refer back, there are already existing statutes that prevent that from happening.

**Mr Kealey:** Yes.

**Mr O'Toole:** So you're satisfied.

**Mr Kealey:** Yes.

**Mr O'Toole:** I know this isn't the health component, but you did make a number of references and I take note that you said that there's perhaps fraud in the system. You referred to the smart card. Do you think the require-

ment for there to be a proper system of audit in the health care system, both of doctors' billings and other practices, is an appropriate step by this bill?

**Mr Kealey:** Do I think it's an appropriate step?

**Mr O'Toole:** Yes.

**Mr Kealey:** Yes. Any measure that's going to reduce fraud is appropriate.

**Mr O'Toole:** You're very familiar, I know, Marc, with the district health council's report on the importance of restructuring health care to find the dollars to address, as has been mentioned, as you all mentioned, the high growth of Durham region, and I support that wholeheartedly.

As far as the comment on the GTA is concerned, that report has just been received. How do you see that? I'll ask you the question. It's maybe not in the scope of this committee, but for the record, do you see the Durham region as part of the GTA or not?

**Mr Kealey:** If I were to speak on behalf of the chamber, I would probably get my head pounded in, but speaking on behalf of myself, I can tell you that the GTA does include Durham region.

**Mr O'Toole:** All of Durham region?

**Mr Kealey:** All of Durham region.

**Mr O'Toole:** Very good. Thank you.

**Mr Tascona:** I just want to deal with schedule A, which I believe is at pages 2 and 3. I'm not really clear. I understand you endorse the schedule A approach with respect to salary disclosure in the public sector, but I'm not really sure what you mean by "...that every attempt be made to explain clearly and publicly the role(s) of those employers' records (employees) who command salaries of over \$100,000." Could you just clarify that for me, please.

**Mr Faux:** Sure. The intent there is that there be supplementary information with respect to roles and responsibilities and not just a laundry list of employees earning over \$100,000. To manage a board of education or to be the chief administrator at a large municipality, obviously there are a number of roles and responsibilities, and I think there should be some attempt to delineate what those roles and responsibilities are. All too often you can take a look at a salary and say, "Well, if it's over \$100,000, it's grossly inflated and should not be allowed."

**Mr Tascona:** If you do that, would you do it by saying this is the job title?

**Mr Faux:** I think you'd need to go farther than job title, because job titles are really a dime a dozen. It goes farther than that, so some more disclosure, as opposed to just a one-line disclosure.

**Mr Tascona:** Disclosure with respect to the role within the organization.

**Mr Faux:** Yes.

**Mr Tascona:** With respect to schedule Q, you made some comments with respect to the process. Are you in favour of the criteria as they are or do you believe they should be strengthened?

**Mr Faux:** The criterion with respect to just the ability to pay?

**The Chair:** Mr Tascona, we've come to the end of the government caucus time. I apologize for interrupting.



1840

**Mr Phillips:** The area I'd like some comment from the chamber on is the licensing area, which I think you didn't comment on in your brief, but it probably is the area that has the potential for the biggest impact on your members.

The way that at least the Kingston council has read the bill it would permit, for example, in establishing a licence, that they could charge a cent a litre for gasoline—on the licence; this isn't on the fees—or \$1 per night per occupied room, or \$1 per litre for alcoholic beverages, and that the way they would ensure that was collected, their interpretation is that as long as you comply with that—maybe your licence fee's \$1 a year; if you don't comply, it's \$10,000 a year.

The government's proposed an amendment in it, but as I read the bill, it outlines virtually unlimited powers in setting licences, and it goes on to say, "If there is a conflict between a provision in this part and a provision of any other section of this act or any other act, the section that is less restrictive of a local municipality's power prevails." I know that's all kind of legal jargon, but my interpretation of that is—and let's recognize that municipalities have their backs to the wall right now—that at least it gives councils the flexibility to do what the city of Kingston thinks.

I realize that you probably have a really good relationship with your local council, but we're passing a law for the whole province here. Is that the chamber's interpretation of what would be permitted under this in the area of licences, and aren't we simply giving the right to impose almost unlimited taxation for municipalities, if that's the correct interpretation of the licences?

**Mr Kealey:** Mr Phillips, I appreciate your comments. As a chamber, with the offloading of some services on to municipalities—and we listened to Ernie Eves make his comments in the Legislature when he read his economic statement—we were fearful, and we said it right on the evening when the economic statement was read, that there may be—how do I say this?—an ability or an opportunity for municipalities to raise money or raise revenues through this kind of a licensing fee in lieu of being funded properly.

My message, and I think that the chamber is in agreement, and so are all the chambers in Durham region, is that we're a high-growth area. We're a high-growth area that ought to be funded differently than we are currently.

**Mr Phillips:** If I might, there are two issues here. One is, does it permit that? The second thing is, should it permit it? Frankly, you'll get an awful lot of legal interpretations around the province, because this is a flawed process we're going through; we're kind of just guessing: What do you think? What do I think? But many people would say it does that.

So essentially, it may include almost unlimited flexibility of taxation, under licences, for municipalities. The ability to set your own licence is almost unlimited, and wherever there's any other act that imposes, this act overrides it. If that is permitted, do I interpret the chamber's view as, "That's fine; it should permit that," and you're not worried about it?

**Mr Faux:** The chamber's view across the province is the same as Kingston's.

**Mr Phillips:** I was curious about your concern on more private sector. I was interested, the day the fiscal statement came out, that the Deputy Minister of Health, when asked, "How will hospitals make this up?" I think said, "Well, they've got laundries and they can do laundry for local hotels and they could even perhaps start to cater service club meals." It was strange to me, the sort of, "Rotary meets every second Tuesday at the Scarborough General Hospital." Does the chamber have any concerns at all, as public organizations cut back on their funding, that they will look to alternative sources of revenue that attack the private sector? Those will be two examples where the deputy said, "Why don't you do that?"

**Mr Kealey:** I wear several hats, and in one of my hats I'm a vice-president of a hospital. I think it's very interesting that Margaret Mottershead says we should also become laundromat services. Notwithstanding that, I think it's very important that people understand that hospitals are severely limited as to how much revenue they can generate. Those are things we've been looking at for a long, long time. We applaud the efforts of the government to suggest that we can generate revenue.

**The Chair:** We've come to the end of your half-hour. I want to thank all of you for coming forward today to make your presentation to the committee.

#### PETERBOROUGH CHILD CARE FORUM

**The Chair:** May I please have a representative from the Peterborough Child Care Forum come forward.

**The Vice-Chair:** I welcome you to the proceedings. Just identify yourself to the committee and for Hansard, please.

**Ms Sheila Olan-MacLean:** I'm Sheila Olan-MacLean, president of the Peterborough Child Care Forum. I'd like to thank you for this opportunity to speak this evening.

Many sections of Bill 26 will have serious implications to the types and amount of services for Ontario children and their families. This evening our presentation will focus on the impact of this legislation on early education and child care programs in Peterborough city and county. We do not purport to have identified all of the implications of this vast and sweeping legislation, but hope to draw attention to the many key points that demonstrate how this legislation will dismantle supports for young children and their families in Peterborough.

Since the July 21, 1995, economic statement, this government has taken a number of steps to distance itself from the responsibility for the education and care of young children. These steps have included cancellation of the early education pilot project; review of junior kindergarten; cancellation of the Jobs Ontario Training program; reduction of the Jobs Ontario child care subsidies from 100% to 80%, conditional on the 20% being picked up by the municipality; cancellation of startup funding for child care and child care subsidies to child care centres already constructed in new schools; cancellation of planned child care centres in new schools; a 5% cut to parent-child resource centres; elimination of the child care program



development fund; cuts to programs which support the integration of children with special needs in child care programs; elimination of pay equity; elimination of child care support and planning organizations; cuts to social service agencies, school boards and post-secondary institutions. Those are to name a few.

I'd like to address the cuts to municipalities and their impact on the child care system. Bill 26 contains a 47% cut to municipalities over two years. The city of Peterborough has been levied an additional \$1 million in cuts due to its urban characteristic. Child care is a discretionary service. The 20% municipal contribution to child care subsidy is key to accessing the 80% provincial share. You figure it out. This government cannot sit back and pretend that these cuts will not have serious, if not devastating, implications on our child care system.

High rates of unemployment and high use of both general welfare and family benefits in the city of Peterborough made it eligible for special relief rates prior to July. In July, those rates were eliminated, along with the full funding for the designated Jobs Ontario spaces. Although the government promised assistance to the municipality to continue the child care spaces, the follow-through came too late. Intake was cut off and we now have over 200 families waiting for child care subsidies. In addition, over 100 families have left the system with no hope of re-entering.

In the Peterborough area, approximately 50% of families accessing Jobs Ontario child care subsidies had in fact found jobs. They had beaten the cycle of unemployment. They were off the system and making their own way. The next chapter of their life story depends on getting and keeping quality child care while they work. Only those who can afford full day care fees will have this luxury if this government does not act quickly to ensure that child care subsidies are not lost.

Another impact of the cut to subsidies in this area is the vacancy rate in our child care program, now at 20%. This has resulted in the layoff of 20% of the staff, wage cuts and the potential closing of many of our centres, and still this government claims it's not cutting child care funding.

**1850**

Next I'd like to address the elimination of proxy pay equity. On average, proxy pay equity has paid out \$1,200 per staff in non-profit child care programs. This funding was first capped in July 1995. It is eliminated in Bill 26. The elimination of proxy pay equity has far-reaching implications for the 99% of child care staff who are women. In a 1994 Peterborough county-city child care survey that was done, the average wage of a fully qualified early childhood education staff was \$12.50 per hour. The wage subsidy grant accounts for \$4 per hour of this wage. It is the existence of the pay equity and proxy pay equity legislation that has supported the continuation of this funding.

Funding for junior kindergarten: This has been funded 100% by the province. These programs have been in existence here in Peterborough since the early 1980s. They are the only universally acceptable early education opportunities for our children. The benefits of early learning have been researched and documented extensive-

ly in North America. Head start programs have shown that all young children, but especially those from at-risk environments and with disabilities, make gains in the early years which cannot be surpassed with expensive remedial programs in their later years.

It is widely acknowledged that the children of today will require extraordinary job skills and knowledge for employment in the future economy. A solid foundation in education is imperative to ensure that all of our children get every opportunity for success and becoming a contributing member of our community. This is not the place to cut.

When we look forward to the future of child care, we understand that Ms Janet Ecker has been charged with the review of child care and making recommendations to cabinet.

Quality child care options are necessary for families with parents who are working or who are in educational programs. Quality child care, however, is also necessary for families to support the development and wellbeing of the children within that family. We can make a choice not to support, but we do so at great risk to our future. The children we abandon today will be the children caring for us in our senior years. The compassion and caring that we demonstrate will come back to us. Do we teach children to care by not caring? No. This is not the place for cuts. We cannot afford cuts to the child care support system.

We do concur with this government that a range of affordable and quality choices for families is required and that there are ways to simplify the existing system. Locally, the Peterborough Child Care Forum, whose funding was eliminated by the cuts to the program development funding, has begun to meet with the local chamber of commerce, the municipality and independent and non-profit child care providers to explore new models and new ways of meeting the child care needs in this community. Within a short period, we will have a comprehensive community plan to address the barriers which exist in our present system. It is imperative that this government allow for this type of planning. It is also imperative that the existing system provide stability during any transition.

"It takes a whole village to raise a child." This proverb fits with the direction of this government, or the direction that it says it has, and it fits with the direction of the Peterborough Child Care Forum. However, the legislation, policies and actions of this government threaten the ability of this village to care for its children. Stop the cuts that are affecting child care. Tomorrow will be too late.

**The Vice-Chair:** Thanks very much for your presentation. At this time the three caucuses have an opportunity to discuss your presentation. We'll start off with the government, and we have seven minutes per party.

**Mr R. Gary Stewart (Peterborough):** Thank you for your presentation. I don't think there's a person on either side of this table who wants to not try to protect children as best we can, but when I look at your introduction and I look at some 12 programs that are dealing in that, do you not think there's a fair bit of duplication in child care? If I look at this type of thing, I think what it says



is that we've got to try doing better than what we have done in the past because we can't afford to do—I look at some of these, the cancellation of Jobs Ontario Training: The provincial auditor had said that it didn't work and it was too costly. That just happens to be one. We haven't eliminated pay equity; we've capped it.

I guess I go back to my first question: Do you feel that there is not some duplication when I look at some eight or 10 programs that you said we have cut?

**Ms Olan-MacLean:** I think when we look at that there's over 200 families in Peterborough waiting for child care subsidy and that aren't able to access our child care system, I don't see that there's any duplication there. Certainly, in child care we don't have the kind of duplication. We don't have the luxury of duplication, as you say, that a lot of areas have. We have very slim administration. No, I can't agree with you.

**Mr Stewart:** Well, it just seems to me that there are a lot of programs, as I look through them, that must be doing the same thing.

Getting back to the 200 families that are waiting, I understand in many areas in this province there's no capping of the amount of dollars you can make to get a subsidy. Recently I had access to a family that's making \$62,500 and they're getting an 80% subsidy. Do you believe that that is what should happen, or should we not be looking at making sure that the folks with low incomes are getting the subsidies that they require?

**Ms Olan-MacLean:** I think we can talk about individual cases where there may be, for whatever reason, circumstances that make it that someone making \$62,000 a year—I know in the city of Peterborough that would not happen because they do have a much lower threshold on their income.

**Mr Stewart:** No, that is happening in Peterborough.

**Ms Olan-MacLean:** In the city of Peterborough?

**Mr Stewart:** Yes. I guess my concern is—

**Ms Olan-MacLean:** I know that it can't possibly happen because they have income thresholds.

**Mr Stewart:** Well, it is, but I'm not about to argue about it. I guess my concern is, there are a lot of people out there that need day care and can't get it because we are subsidizing higher-bracket people, and it's my understanding, in my mind, that the low-income working poor should be the ones to get these spaces and they're not.

**Ms Olan-MacLean:** It's my understanding that under the Canada assistance plan, I believe that the threshold, the highest amount that you can make is \$60,000 per year before you're cut off subsidy. At that point, it's a—I'm not sure how you call it—but anyway, if you're making \$30,000 you may get 80% of your subsidy paid, but by the time you get up to \$60,000 you're getting zero. So I don't understand how that person could possibly meet the criteria for funding.

Again, I have to say that even if that were happening it would be an anomaly. I think if we keep chasing the anomalies and chasing the individuals who may squeak through the system or, for whatever reason, find a way of getting around the system, we're going to spend all our time doing that and there's going to be a lot of those people in the middle that are going to lose out because

they're the ones who need the system and they're not going to be able to access it.

I agree, there are lots of people who can't access it and we need to find better ways of getting them access to the system and we also need to deal with those anomalies, but let's not spend all of our time on it.

**Mr Stewart:** I think that's the idea.

**Mr Young:** I just wanted to comment. Thank you very much for an excellent presentation, especially your comments that a range of affordable and quality choices is required, and partnering with the chamber of commerce and the municipality to explore new models. I will personally pass your presentation on to Janet Ecker. I think I'm going to see her tomorrow. So we will follow up with that.

**Ms Olan-MacLean:** Thank you very much.

**Mr Sampson:** What's the time?

**The Vice-Chair:** We have a little less than two minutes.

**Mr Sampson:** I was going to ask whether you'd give us a glimpse of what the Peterborough Child Care Forum has been able to come to grips with so that we could add that to the documentation that we can present to Ms Ecker.

**Ms Olan-MacLean:** I'm sorry, what was the first part of the—

**Mr Sampson:** If you could give us a glimpse of—you said that the Peterborough Child Care Forum has worked with the chamber of commerce and other parties on coming to grips with this issue.

**Ms Olan-MacLean:** Yes, and actually those meetings have just begun. One of the things that we do recognize is that independent caregivers have not had access also to the support to child care of other licensed child care programs. We want to make sure that in Peterborough city and county all children have access to quality child care. We want a partnership with all of the different people who would have an interest in that. That includes parents who use different kinds of child care as well as different kinds of child care providers, both independent and non-profit, as well as municipalities, chamber of commerce, because we believe it's for the betterment of our community as a whole.

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**Mr Phillips:** I want to pursue a little bit of Mr Stewart's comment, because he's made it at least twice, if not three times, about this is why we've got to get at the child care thing, because there's this abuse going on, I gather.

**Mr Stewart:** I didn't use the word "abuse."

**Mr Phillips:** You've indicated the reason why you've got to get after this thing—

**Mr Stewart:** I didn't use the word "abuse," Mr Chairman, on a point of privilege.

**Mr Phillips:** What were you implying, then, when you said that there are all these people making—

*Interjection.*

**Mr Phillips:** No. You were implying all these people making \$60,000.

*Interjection.*

**Mr Phillips:** Well, you said it in at least three communities when child care people have been before us,



dragging out this case that you've got, and I gather you've got many of them—but I just ask the people who know. Could you help us a little bit on how that could be—I know you've just partially explained it—that someone making \$60,000, that Mr Stewart's very much aware of, could be getting an 80% subsidy for their child care?

**Ms Olan-MacLean:** Again, I can't explain how that would ever happen. I think the other thing we have to take into consideration is that a family who makes \$60,000 a year, one third of that comes off in taxes. The second thing is that if they were to have three children, their child care costs would be over \$20,000. The third point that I'd like to make about that is that according to the subsidy system, and I've been in the child care field in Peterborough for over 20 years—I hope I know a little bit about it, but I'm not saying that I know everything. I cannot understand how a family with that kind of income would—although if you look at the economics of it, I'm sure that they could certainly use the funding.

**Mr Phillips:** This is one of our challenges, I think, that the government essentially is saying to people on social assistance, "Get out and get a job." One of our challenges is, frankly, when you look at the government's fiscal statement that they have put out—I've got it around here somewhere—it's saying there are going to be more people out of work in the province of Ontario in 1996 than there were in 1995. That's what they're saying. Then they say in 1997 there are going to be more people out of work than there were in 1996. So two and a half years into this revolution, we're going to have more people out of work in Ontario, according to them—these are their own figures—and yet they want people on social assistance, as we all do, to find a job.

I'm wondering if you can be a little helpful to us and some of the people you work with. As they try and find a job, and many jobs right now do not pay a lot of money, obviously, how does perhaps a single mother who finds a job at something slightly above minimum wage also accommodate looking after her children?

**Ms Olan-MacLean:** Unfortunately, the state of affairs right now is that there isn't the child care available. There are very few options for parents. I have to think of the horror stories that I've heard since September about young mothers coming into the subsidy office and being told, "I'm sorry, there's no child care subsidy." These young mothers are going back to school. They've got jobs that they need to go to. There is no child care. There are many, many cases where they have had to quit their jobs, quit school, in order to look after their children, and that is an unfortunate state.

**Mr Phillips:** One thing that's disturbed me—and I hope it's in your area and I apologize if it isn't. But the government launched a big campaign to go after welfare fraud and the minister sent out a letter saying to people: "Take this notice and post it on public buildings in your area"—those were the words that he used—"to help stop welfare fraud." A toll-free number's been set up to take calls about suspected welfare fraud, if you suspect somebody.

The Provincial Auditor told us that tax fraud was a problem that was at least 10 times bigger than this

particular problem. Our point was if tax fraud—which is, by anyone's account, every bit as serious as welfare fraud—is 10 times bigger, why aren't they sending letters out to the business community to post similar posters around Peterborough and a hotline to go after tax fraud? I don't mean to bait them, but part of their fiscal problem is tax fraud, and there's an all-out attack on welfare fraud and all-out silence on tax fraud.

Have you any experience with this program and can you give us any indication of what's happened here in Peterborough with the posting of these bulletins?

**Ms Olan-MacLean:** No, I'm sorry, I don't. I don't know.

**Mr Phillips:** It's beyond your area. I appreciate that.

**Ms Olan-MacLean:** No, but I do think that it's indicative of the type of leadership in this province. You can spend all of your time polarizing people, putting people on one side or the other, or you can try to bring people together to have a better province.

**Mr Phillips:** Do I have any more time, Mr Chair?

**The Vice-Chair:** I think you're almost out, but continue.

**Mr Phillips:** Just very quickly, you did mention fees and we heard the minister, Al Leach say that he knows there are going to be fees put on libraries and—

**The Vice-Chair:** We're out of time, Mr Phillips. Mr Silipo.

**Mr Phillips:** Sorry.

**The Vice-Chair:** You don't want to eat into Mr Silipo's time.

**Mr Silipo:** Mr Phillips wouldn't want to do that. If I knew the rest of the sentence, Gerry, I'd continue it.

Thank you for the presentation and thank you particularly for pointing out to us and reminding us about the effects of the government's actions on children. I think as I look at the first page particularly of your presentation where you list all of the cuts and all of the steps that the government has taken, it's just staggering, and each one of those lines is something that we ought to be spending a great deal of time discussing and going into because each one of them significantly reduces our ability to take care of and to educate well our young people. I guess because of the time, I just want to focus in on a couple of things.

The Jobs Ontario subsidies is one of the areas that you mention. I certainly recall as the minister responsible for the child care system for a couple of years in the province when in 1993 we expanded the Jobs Ontario subsidies criteria to take into account people who were involved in some kind of a training program of their own as opposed to just those who were in the government-sponsored training program. We managed as a result of that to respond to the needs of some 8,000 people in the province in a space of about six months. That was the number of subsidies that we added in about a six-month period, which I don't think has ever been done before or certainly since in anybody's memory, and I think that was a clear indication of the need that was there.

I was particularly interested in your statistics here in the Peterborough area in so far as 50% of the families who were using those subsidies had in fact found jobs. Mike Harris has talked a lot about giving people a hand



up. That's exactly what Jobs Ontario Training and Jobs Ontario Training child care was doing. It was providing people on welfare, people on unemployment insurance, people who were unemployed and people who were working but getting very little in the way of money an ability to get themselves off welfare, become more independent by providing, in the case of young mothers particularly, child care subsidies. The elimination of that means, it seems to me, that that's going to be harder for people to do. That's what I think you're saying you're finding here in Peterborough.

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**Ms Olan-MacLean:** It's actually not only harder, but it's impossible at this point in the city of Peterborough.

**Mr Silipo:** I find it really flabbergasting that when the government members talk about some of the problems—and we know there are problems—in the child care system, here, like in many other areas, they've taken the sledgehammer approach, "Let's just take out the support we're providing to women and families to be able to take of their young children," because there may be some problems such as the ones Mr Stewart talked about.

It's typical and it's also frightening to hear Mr Stewart and others say things like, "This bill does not eliminate pay equity," because it tells me that even at this late stage in the process, government members don't know what this bill contains. This bill takes away the pay equity rights of some 100,000 women. Women who work in child care will no longer be getting pay equity protection once this bill is passed. Women who work in nursing homes, women who work for children's aid societies, will no longer be covered by pay equity. That's what removing the proxy pay equity does.

I don't know how we can make these folks understand that, but that's what this does. You would expect them to at least have the decency to say, "Yes, we understand that's what it does and here are the reasons we're doing it," but we haven't heard that. They didn't even have the decency to have the Minister of Labour, the minister responsible for that legislation, ever come before the committee. We've asked for her to appear next week—I'd be interested to see if she does—to explain to us why they are doing this. The only explanation we've had is, "We need to return pay equity to what it was originally intended to be."

I always thought the point of pay equity was to ensure that women were paid comparable to what men are paid for jobs of comparable value. That's the whole point. The reason we brought in proxy pay equity—and I know something about it because I was responsible for pulling the previous government's efforts together on that—is because we knew that the previous legislation had left out many women who work in predominantly female-dominated sectors, where you couldn't find immediately a comparator in the same workforce, so you had to go outside to a similar and still public employer to be able to make that comparator.

One of the things that strikes me in your presentation, because we've heard it from a couple of other places when people have talked to us about child care, is that as it applies to the child care sector, there is a double worry. There's not only that elimination of pay equity, which in

and of itself is a problem, but that also begins to pose a danger to the wage enhancements for child care workers, who, we need to remind government members, are among the lowest-paid women working in the public sector anywhere in Ontario.

**Ms Olan-MacLean:** I'd like to add that the 3% towards the pay equity wage does very little. Even with pay equity legislation in place, it was going to be 2030 before many of the child care providers in this area were going to achieve pay equity rights.

**Mr Silipo:** Another thing that is striking as we look at the government's actions on all these fronts is that while they claim that all these actions need to be taken to bring the deficit down, we are seeing that the biggest cuts are going not towards reducing the deficit but are going towards providing the 30% tax cut. When you look, for example, at the people who are being served—who were being served—under the Jobs Ontario child care subsidies, they're not the ones who are going to benefit greatly from that tax cut. In fact, any benefit they get will likely be more than taken care of by the additional fee they have to pay for child care.

**The Vice-Chair:** Sorry to interrupt, but we are out of time. Thank you for your presentation.

#### ONTARIO FEDERATION OF ANGLERS AND HUNTERS

**The Vice-Chair:** At this time, we have the Ontario Federation of Anglers and Hunters.

**Dr Terry Quinney:** Good evening. My name is Terry Quinney. On behalf of Ontario's largest and oldest conservation organization, the Ontario Federation of Anglers and Hunters, we thank the committee for the opportunity to address you this evening. Our president, Terry Smeltzer, and executive vice-president, Rick Morgan, send their regrets not being able to join me here this evening.

I will not read our presentation in its entirety. We know full well that your schedule is very tight. I will be reading highlights, but we ask that prior to your line-by-line consideration of the bill, you read our presentation in its entirety with reference to the sections of the bill that we'll address tonight.

Several sections of Bill 26 fall within the conservation mandate of the Ontario Federation of Anglers and Hunters. We're here tonight to endorse some of those elements of 26; others, we believe, need modification or the provision to us of additional information before we can support them. We'll be commenting tonight on the Game and Fish Act amendments, the Public Lands Act, the Lakes and Rivers Improvement Act, the Forest Fires Prevention Act, the Mining Act, the Conservation Authorities Act, and the Freedom of Information and Protection of Privacy Act.

First, with relevance to the Game and Fish Act, the government of Ontario is proposing, for the first time, a special dedicated account for hunting and fishing revenues, and an associated advisory board that would advise the minister on financial matters pertaining to this special dedicated account.

I think committee members are aware that millions of Ontario residents go fishing each year and almost three



quarters of a million who hunt as an important part of their cultural heritage, and that expenditures by these residents on fish- and wildlife-related activities exceeds \$5 billion each year and sustains over 100,000 jobs. It turns out that anglers and hunters are paying almost \$40 million each year to the Ontario government in licence revenues alone.

Before this proposed amendment, it was impossible for the public to know or track government spending on fish and wildlife management. During the 1995 provincial election campaign, our organization sent a questionnaire to all candidates in all parties, and we asked candidates, "Do you support earmarking revenues from fishing and hunting licence sales to be returned directly to the Ministry of Natural Resources fish and wildlife management budgets?" We were delighted that all candidates who provided a definitive answer to our question responded yes.

The Ontario Federation of Anglers and Hunters endorses this government of Ontario initiative which will, for the first time, earmark revenues for fish and wildlife management from fines, fees, royalties etc paid under the Game and Fish Act. We'd also like to request that all revenues associated with the sale of non-resident crown land camping fees and all revenues that government receives associated with the rental and lease fees levied on crown water lots also be earmarked for this special dedicated account.

We support the Minister of Natural Resources' announcement that funds held within this account can be carried over from one year to the next. We'd ask, in fact, that the amendments to the act include specific reference to this carryover of funds, in order to formally recognize the importance of the fund but also to provide the ability of that fund to support multi-year projects.

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The establishment of an advisory board will ensure that the minister receives appropriate advice on financial matters and is consistent with our organization's earlier recommendations to government. Finally, with more than 74,000 members across the province, the OFAH being the largest voice of Ontario's hunting and angling public, we'd request that representation on that public advisory board be commensurate with the size of our constituency.

Moving to the Public Lands Act, the government of Ontario is proposing amendments to the Public Lands Act that will remove the blanket prohibition of various works without a permit. The proposal is that permits will be required only for certain works that are to be prescribed by regulation. The regulations have not been put forward at this time for review, so we really have no indication which activities will be subject to review and permission by the Ministry of Natural Resources.

The OFAH is concerned that the proposed changes to the Public Lands Act may not provide sufficient protection of important fish and wildlife habitat, especially when proposed changes to the Planning Act that are now under consideration and the associated provincial policy statements relating to natural heritage items are considered as well.

While the current level of environmental protection measures in the province may include needless duplica-

tion that obviously warrants correction, sensitive habitats must continue to be protected through mechanisms like the Public Lands Act. Removal of this protection could affect the conservation of fish and wildlife habitat. This could occur in situations where MNR staff are attempting to limit ongoing problems—degradation of the environment—solely through enforcement rather than proactive protection. We can visualize situations where fines can indeed be imposed upon lawbreakers, but once habitat is lost, it is very difficult, if not impossible, to restore.

In this regard, the Ontario Federation of Anglers and Hunters has detailed our concerns with the proposed amendments to the Public Lands Act and the Lakes and Rivers Improvement Act to the Minister of Natural Resources. We've included that as an appendix to our presentation for the committee, and that appendix represents a January 16 letter to Minister Hodgson from our president and executive vice-president. Until we receive an appropriate response from the Minister of Natural Resources, the OFAH must withhold its support for these new initiatives under the Public Lands Act.

With regard to changes to the Lakes and Rivers Improvement Act, our comments are very similar to those I've just made with reference to the Public Lands Act. Again there is a proposal to remove the requirement for a permit application in a number of circumstances. The potential risk of damage to things like fish habitat must be recognized in any proposed changes to the Lakes and Rivers Improvement Act in the same way as I've described for the Public Lands Act.

Our comments on the Forest Fires Prevention Act are brief. As committee members know, currently fire permits, travel permits and work permits are required under this act. The proposed amendments repeal these sections from the act and will create regulations that control or specify requirements to carry on these activities.

It appears to us that there are no significant fish and wildlife implications relating to these proposed amendments, and we fully expect that the level of preventive measures presently in place to limit the potential to start forest fires will be continued. Therefore, we support the Ontario government's efforts to improve efficiencies, and we can offer our support for these proposed amendments and would be pleased to assist the government in the formulation of associated regulations.

With reference to the Mining Act amendments proposed by the government, again our comments will be limited to those which fall within our conservation mandate. The proposed amendments to the Mining Act, from our perspective, deal with requirements relating to the rehabilitation of mine sites. In addition, a provision is made creating a special-purpose account for funds collected as a trust towards rehabilitation of these sites, and the crown will have the right to access those funds for rehabilitation work if the proponent doesn't conform. Finally, there's a new section of the act which would provide immunity to the crown and its employees from proceedings that arise from claims of regulatory negligence relating to the filing, approval, review and acceptance of closure plans—in other words, the removal of some crown accountability—and we have some concerns there.



Since many of the proposed amendments to the Mining Act are actually facilitating appropriate site rehabilitation, the OFAH does support these amendments, but we do want to add an important caveat, that is, that we don't believe the crown should remove its accountability, that responsibility for ensuring against regulatory negligence. In other words, these aspects of crown accountability that are currently present must be maintained.

With reference to the Conservation Authorities Act, the government of Ontario is making several proposed changes. These include a mechanism for voluntary dissolution of a conservation authority; removing cabinet's power to appoint members to conservation authorities; giving the Minister of Natural Resources power to require that flood control operations be carried out by conservation authorities or municipalities; removing requirements for provincial approval of conservation authority projects and land dispositions if the project or land doesn't involve provincial funding; and revising the system for levying conservation authority administrative and maintenance costs against municipalities and restricting the levies to maintenance costs relating to flood control.

If conservation authorities are to be dissolved, in that scenario there is the potential, in our minds, for the deregulation and associated loss of protection that is coincidentally afforded to large amounts of important wetlands and other important fish and wildlife habitats specifically through the administration and enforcement of fill and construction regulations that are, again, currently within the mandate of conservation authorities. I'll return to that when we propose some recommendations.

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Also, as you know, conservation authority resource management programs and lands that conservation authorities own provide a valuable service to local residents and in fact all Ontarians in terms of things like access to waterways, forests, parklands and other recreational areas. Some of these properties were acquired with provincial funding, while others were donated to authorities, donated in many cases with the understanding that they'd be maintained in public ownership for the benefit of these watershed residents.

Many of these lands that conservation authorities own contain significant fisheries and wildlife habitats, and yet according to the government proposals as written, it looks like they may be disposed of by authorities themselves in order to maintain themselves financially or by their member municipalities if an authority ends up being dissolved. So we would like to ask the government to seriously consider our suggestions with reference to the government's changes regarding the Conservation Authorities Act.

We begin with this very important point: that those fish and wildlife values that are currently managed by conservation authorities, and associated recreational opportunities like fishing, like hunting, not be lost, that they not be jeopardized by any form of government restructuring.

Existing fill and construction regulations, which are currently enacted and administered pursuant to section 28 of the Conservation Authorities Act, we believe have to be fully and consistently enforced across the province

and, more particularly, across watersheds as currently defined by Ontario conservation authority boundaries.

So one of the main points we are trying to make to the committee tonight is that when appropriately and consistently applied, there are elements of the existing Conservation Authorities Act, the existing Public Lands Act and the existing Lakes and Rivers Improvement Act that are in fact successful mechanisms that are helping to protect fish and wildlife values in this province, and that these important elements not be lost in restructuring. Accordingly, an additional suggestion that we're going to make is that the Minister of Natural Resources not only be enabled to require flood control operations, but also that the minister be enabled to require that fill and construction regulation and administration and enforcement be carried out by conservation authorities or municipalities.

Additionally, the administrative costs associated with the fill and construction regulations, for example—that's administration and enforcement—must continue to receive provincial funding, and the ability of a conservation authority to levy its member municipalities for this service regarding fill and construction regulations should not be removed. Again, why not? Because habitat protection and public safety benefits that have occurred through the use of this mechanism, fill and construction regulations, are too vital to be lost.

Finally, here under the Conservation Authorities Act, we very strongly believe that publicly accessible conservation authority lands must remain publicly accessible regardless of government restructuring, that disposition of any conservation authority lands then should be subject to the approval of the appropriate minister of the crown even if that ministry or the provincial government will not financially benefit from the sale of that land.

Finally, our comments on Bill 26 with reference to the Ontario government's proposed changes to the Freedom of Information and Protection of Privacy Act: Here we see that Bill 26 proposes that mandatory fees be prescribed by regulations. Furthermore, the proposed amendments are going to grant wider discretionary powers to heads of institutions.

The fact of the matter is that the wide discretionary powers of institution heads under sections 12 to 22 in this act have already not lived up to the original objectives, in our minds, in making records more available to the public. In fact, over the last several years, the Ontario Federation of Anglers and Hunters has received certainly less than satisfactory response to our requests for public information. In some cases we've had fees imposed on us ranging anywhere from \$200 to over \$4,000 in our attempts to retrieve records. In cases like this, we perceive them to be actually roadblocks to the public in obtaining access to information.

Our point is very simply that the amendments to the act are going to make the process even more difficult and expensive for the public, and we'll give you a couple of examples: Under the act, fees are going to apply to requests, appeals and record retrieval. The costs involved in record retrieval alone will eliminate the act as a tool for the general public and other institutions that don't have the funds to go through the process.



With reference to these wider discretionary powers for heads of institutions, the sections regarding frivolous and vexatious requests—that is, the sections of the amendments—are going to give even more discretionary powers to bureaucrats to exempt materials from release to the public.

The fees prescribed—we're suggesting a very modest fee; in fact, a maximum of \$5 fee for requests—are going to limit, in our opinion, requests to government by those who are serious about getting this information. So we're requesting that the fee be a minimal fee, that it not be a barrier to the public obtaining information through this act; secondly, that there must be some kind of appeal mechanism made available to the public when they disagree with these heads of institutions. We believe that appeal mechanism should be free, that again the cost of an appeal shouldn't be a barrier to the public obtaining that information.

With that, we thank you for your attention this evening.

1940

**Mr Phillips:** I very much appreciate a very thoughtful brief. It's a bit unfortunate that it's 7:30 on a Friday night. It's almost a comment to the group, and that is that, I say in all sincerity, the process is out of control right now. Next week we've got 120 amendments. I've no idea whether the government's going to try to accommodate your concerns or not. I don't see anything in the amendments yet, but we've just got another 60 of them. In my opinion—this is, I hope, not overly partisan—I just don't think it's any way to treat the serious issues that you've brought forward tonight, to be trying to deal with it in this kind of runaway fashion, and hardly time, frankly, for your concerns to be considered. I can assure you we will.

One question I had for you is, the minister indicated that they raise about \$44 million from the licence fees but spend about \$66 million in the area. Is it your expectation that the government will continue to spend the \$66 million and supplement the fund by the \$22 million, or is there any expectation they're going to try and increase the licences to fully recoup the costs that they've got there?

**Dr Quinney:** I'll answer the latter part of your question first. We have the government's assurance that licence fees are not to be increased in the foreseeable future, number one. Number two, as you know, all of society benefits from healthy fish and wildlife and the environment in this province, and as a result, we fully expect that the government of Ontario, on behalf of Ontario residents, will continue to provide the funds necessary for the wise management of fish and wildlife on top of those dedicated revenues that should go to those extra areas where anglers and hunters have been paying for them for some time.

**Mr Silipo:** Thank you very much for the presentation. It's really very wide-ranging in terms of giving us a good sense of your association's views. Like Mr Phillips, I guess I also regret that this process doesn't give us enough time to deal appropriately with some of these issues, and hopefully this is something that the government will take into account as it looks at either amend-

ments or perhaps another way to deal with this part of the bill.

One of the things that I'm interested in your views on is to ask you this: Is there anything in the various sections that relate particularly to questions of wildlife and fish habitat and all of the other things that affect on that which you think needs to be dealt with in the kind of time line that the government has set? In other words, would you have any problems with these portions of the bill being taken out and dealt with with a little bit more time so that your concerns and, I can tell you, those of other organizations that have talked to some of the same issues that you have could be more adequately dealt with over a little bit more time than what unfortunately this process allows us?

**Dr Quinney:** Mr Silipo, I'm certainly going to disagree with you with reference to trying to slow down amendments to the Game and Fish Act. Those amendments are very progressive and they are ones that the Ontario Federation of Anglers and Hunters has worked years and years to try and achieve, and fortunately the present government is going to move quickly on those amendments, and it should.

**Mr Doug Galt (Northumberland):** Thank you, Terry, for your very thoughtful presentation and thanks to your organization for working so hard in the area of conservation and particularly not looking to government for a whole lot of support in the past, just going and doing your thing.

The area that I would like to explore with you a little bit has to do with the conservation authorities. The Ministry of Natural Resources, municipalities—you might even extend that into the Ministry of Environment and Energy and so on—there seems to be some duplication there, and we're reducing funding to conservation authorities.

During the campaign there was an awful lot came forward about conservation authorities not being very flexible and being very authoritarian. Maybe that comes from their name, no pun intended. How do you see it? Do you see the Ministry of Natural Resources could look after or municipalities could look after the activities of conservation authorities? Do you see duplication there?

**Dr Quinney:** There definitely has been duplication and there remains duplication. Our organization has been very clear that, ultimately, responsibility for fish and wildlife management in this province should lie with the Ontario Ministry of Natural Resources. So, yes, there is duplication that should be corrected, the streamlining should occur, but as we've tried to point out, let's by no means throw out the good along with the bad. The conservation authorities have developed certain very successful mechanisms to protect fish and wildlife. Let those remain in place.

**The Chair:** Thank you for coming forward this evening and making your presentation to the committee. We appreciate it.

JENNY CARTER

**The Chair:** May I please have Jenny Carter come forward. Good evening and welcome to the standing



committee on general government. You will have one half-hour this evening to make your presentation. You may use that time as you see fit. You may wish to leave some time at the end of your presentation to entertain responses and questions from the three caucuses. I'd appreciate it, for the benefit of Hansard and committee members, if you'd introduce yourself at the beginning of your presentation.

**Ms Jenny Carter:** Thank you for this opportunity to take part in the hearings on Bill 26. My name is Jenny Carter. I just want to remind everybody that these hearings were only granted after quite a struggle. I'm a little concerned that presentations to this committee are mostly on behalf of interest groups. Peterborough is alive and well as a community, and we want it to stay that way, so I am here as a citizen of Peterborough and of Ontario.

Nothing in this bill will benefit any identifiable group in our society, let alone the community as a whole. On the title page, Bill 26 is described as An Act to achieve Fiscal Savings and to promote Economic Prosperity through Public Sector Restructuring, Streamlining and Efficiency and to implement other aspects of the Government's Economic Agenda. Getting rid of the deficit and improving the economy was the Conservatives' big electoral ploy and the excuse for their cutting and slashing. But that is not how it works.

During the election campaign, the Tories said they were going to create jobs and revive the economy by putting more money in consumers' pockets through tax breaks—I remember Mr Stewart saying that—thus helping business to create jobs. What they have done so far is the exact opposite. They have taken huge sums out of the pockets of welfare recipients, whose money goes directly to local landlords, grocery stores and so on, and they have not yet given any tax rebates. Money circulating in the community has been cut back, business has suffered and jobs have been lost. Ask local retailers about this Christmas. Even if the tax rebates materialize, they will not compensate for the damage already done, because that money is less likely to be spent locally or quickly.

Tax breaks make utter nonsense of Tory claims to be imposing hardship on the people of Ontario in order to get rid of a crippling deficit. Six billion dollars in cuts plus \$6 billion in tax rebates equals the deficit we had before plus a damaged society and a damaged economy. To take from the poor to give to the rich is obscene. The great Canadian writer Margaret Atwood summed it up beautifully in her Christmas satire in the *Globe and Mail*, Dickens's *A Christmas Carol* turned back to front. Scrooge starts out as benevolent and turns into a community-destroying monster. The business section of the same paper carried a deadly serious article saying that to be like Scrooge is actually a good thing. Perhaps we should abolish Christmas, with its message of peace, love and goodwill to all men. It seems to be out of fashion. Just let Tiny Tim die.

If the NDP government had been re-elected, it would have got rid of the deficit in a very few years because, by spending wisely to keep the economy healthy, it would have kept government revenues flowing. There is no virtue in cuts that destroy the revenues of the future. This

is why the Tory argument that they're doing all this for the good of our children is particularly galling. The 40% of welfare recipients who are children are never going to thank this government for anything. Nor are the children denied a decent education, for the Tories lied when they said classroom education would not be affected by cuts. Children denied proper health care, decent housing and who see no prospects for decent employment, however well they may do at school, may be damaged beyond repair and become a cost to society.

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Have you seen recent reports in the *Toronto Star*? Yes, welfare rolls are down, but for the first time whole families are among the homeless. Welfare doesn't pay the rent any more and jobs aren't there. Are these people to sleep on the street or, as usually happens, to be housed in a motel at much greater cost to the taxpayer than if their welfare hadn't been cut? Landlords also suffer. They're losing tenants.

A good businessman knows he has to spend money to make money. The same is true of government. But unlike business, a democratic government exists to serve its citizens and raise money to provide a necessary framework for their lives. To cut spending on education, health, social services, law enforcement, legal services, environmental protection, roads and transit services, access to information, and the democratic structure itself below necessary minimal levels is not fiscal wisdom, but betrayal of the public.

This bill is supposed to give the government the tools to do the job of restructuring our economy. Rather, these tools will destroy the economy and the quality of life of millions of people with it. Let's look at some local examples. We have in Peterborough an organization called Peterborough Green-Up. It makes home visits and advises citizens how to modify their homes to reduce fuel bills and water use, and thus live more cheaply and comfortably. Government funding was to be phased out as the group became self-funding, but now huge unexpected cuts made without consultation are putting Green-Up in jeopardy. This is a typical Tory cut, because Green-Up is an economic plus, not a minus. To quote from an article by Green-Up's Ben Wolfe:

"The saddest and most pathetic aspect of the decision" to cut Green-Up's "funding is that it was made in the name of fiscal responsibility—yet it takes only a simple calculation to show that the income and sales taxes the government collects as a direct result of green communities activities are greater than the provincial contribution to the program. This is the case because Green-Up and projects like it generate a steady flow of local spending and employment. Across the province, the average household chooses to spend more than \$1,500 following green home visit recommendations—entirely unsubsidized. This spending has many spinoff effects. It permanently reduces local costs, and strengthens local economies by taking dollars that were leaving the community to pay for energy and making them available to spend at home instead. But on November 28, the bean counters had their way. An ideological belief that any cut is a good cut has taken the place of cost-benefit analysis, community consultation and common sense."



When I was at Queen's Park, we were very proud of Green-Up because of its exceptional staff, whose energy and commitment came very cheap to the public. It was seen as a model for similar ventures around the province.

In like fashion, the Otonabee Region Conservation Authority is to be reduced to a flood control body only. Yet this democratic, minimally funded organization has been doing wonderful things for its area. With help from the Scout movement and others, they plant trees—thousands of trees. They have improved local water quality, particularly by working with farmers on the Indian River. By acquiring and conserving land, they enhance the recreational facilities of the area and aid tourism, which is vital to the future of this area, boosting the economy far beyond the value of the money spent. Volunteers who work with this and other defunded organizations will no longer be able to make a contribution. Closed parks or hefty user fees will keep tourists away.

Reasonable cuts can be handled, but beyond a certain point they're self-defeating. A recent *Globe and Mail* article described our mayor as a loyal Conservative, although he told me the other day that they didn't check that out with him. But he and his aldermen and staff were shocked by an unexpected extra \$1-million cut in their finances after they had already planned for an expected 23% cut. They can't serve the public properly on that basis. I don't envy the municipalities, school board trustees, university and college presidents, librarians and library boards, hospital administrators and countless others who are being forced to use the so-called tools provided in this bill.

Drastic cuts are a recipe for squabbling and recrimination. We already have had factions writing to the local paper as to whether a branch library should close or all money be spent to keep the main library going. Sir Sandford Fleming College is talking about closing down a much-needed swimming pool. Trent University is going to have to raise its fees, so university education will again become a privilege of the rich. Such decisions should not have to be made. We must remember that they're being imposed by the Harris government and are not the fault of hapless intermediaries.

Perceived "soft" things like cultural groups are particularly liable to be cut. Yet small grants go a very long way in the fine cultural community of this area and, believe it or not, here too the economic benefits to local business and employment, and ultimately to government revenues, far outweigh the original expenditure. I think of the Fourth Line Theatre's success with the Cavan Blazers, for example. Scrooge, in Margaret Atwood's *Christmas Lorac*, shouts, "I'm as merry as the Tories when they've destroyed all the arts organizations, and thus done away with the \$11 billion in revenues they generate!"

When I was MPP for Peterborough, government spending on roads, bridges, public housing and other ventures such as the Ministry of Natural Resources building helped keep local businesses going and local people employed, while securing our future. Everyone wanted the MNR to come here. The project proceeded with wonderful smoothness and efficiency. I'm proud of the building, which adds dignity to downtown Peterborough. The media kept a hawk-eyed watch on the project and would

have been quick to challenge me for any failure to deliver. Now we hear that the number of MNR staff coming to Peterborough may be drastically cut from the original 700. This could make nonsense of the money already invested in this project and deprive Peterborough of a much-needed boost.

When the NDP was in power, Highway 115 was completed, St Peter's high school was built, the downtown got a facelift, needed changes and additions were made to our hospitals, pay equity agreements were honoured. Showplace Peterborough, the twin-pad arena and yes, the problematic parking garage which may not now be needed were funded. Cray Park had a facelift. Disabled access to many buildings became a reality. Jobless people had the support of Jobs Ontario with its free day care spaces. We built the wonderful, award-winning, new Trent Daycare Centre. Tories want children to stay home with their mothers, so is this another investment that will now go to waste?

I used to spend a lot of time at openings. I think Gary Stewart will have an easy life unless closure ceremonies come into vogue.

Bill 26 is a monster. It will not solve our economic problems. Much of it has nothing to do with the policies set out in the Common Sense Revolution, or even directly contradicts them. The Tories knew that people felt government was not sufficiently responsive to their views, so they talked of referendums. For example, communities thinking of having a casino would hold a referendum. Ontario law has provided for years that before a municipality can turn its electric, water or sewage utility over to a private company, there has to be consent of the citizens. For this kind of change to community life, which is hardly reversible, the city has to call a referendum. Yet tucked away in this bill are sections repealing the referendum provisions. Why didn't the Tories campaign against referendums in the election, if that's what they intended? We are proud of our utilities commission in Peterborough. It does a fine job and has no debts. As one alderman has said, the threatened privatization would be a theft from the public. It runs one of only two properly run zoos in Ontario, open without charge to its owners, the public. We want to keep it.

#### 2000

Schedule L of the bill is short but sinister. It will take away certain pension rights from Ontario public servants whose jobs are about to be eliminated by the Tories. This needs to be thoroughly investigated and publicly discussed.

Schedule M of the bill gives the Minister of Municipal Affairs power to force through municipal restructuring without any public involvement. Also, the minister gets total power over the portion of funding the province picks up for transit operations and transit capital projects. Peterborough's buses are essential to many of the less affluent members of the community, the old, the young and the disabled. The city has already decided to raise fares, due to government cuts.

Can you imagine user fees for police and fire services? What would that do to our sense of being a fair, decent community? Such fees are possible under this bill. So are cuts in the provision of these and other essential services,



such as classrooms and hospitals, and cuts in the pay of whatever workers remain. It seems the services rendered by public servants are not valued by the Tories, or perhaps the ultimate goal is to render them ineffective as an excuse to privatize them. The taxpayer will then have to finance profits as well as the cost of the services, and democratic input and control will be lost. Early retirement of senior police and firefighters has given Peterborough taxpayers a reprieve, but this is a temporary solution.

There is increasing public awareness of the necessity for environmental controls, and much headway has been made. The Common Sense Revolution did not say that the Tories planned to gut environmental protection. But Bill 26 abolishes the current procedure whereby government specialists approve an environmentally sound closure plan before a new mine is allowed to open and the company has to provide cash and letters of credit to deal with any future problems. It simply is not good enough to allow a company to approve its own plan. In schedule N, this bill repeals the requirements for permits for dams and for work permits for logging, mining and other activities in some circumstances. There has been no consultation.

There's nothing in the Common Sense Revolution about rolling back pay equity rights. Yet this omnibus bill includes a section that strips the right to fair pay from about 100,000 of the lowest-paid women in the broader public sector, in such areas as day care, libraries and nursing homes. Schedule J scraps the proxy method of pay equity. Legislation resulting from extensive hearings is being scrapped with no consultation at all. Again, the weakest, especially women and children, are being called upon to make sacrifices in order to reduce a deficit which they did not create.

Finally, I would like to mention schedule K, which limits freedom of information rights. Fees are to be raised. It will be easier to deny requests for documents and harder to win an appeal. The government says it wants to curtail frivolous or vexatious requests. Only people with plenty of money or access to lawyers will be able to learn what the government is doing. The Information and Privacy Commissioner of Ontario says this legislation threatens the fundamental right of people to know what is happening in their government. This is serious stuff and threatens the roots of democracy. We cannot allow it to slip through, buried in the belly of this monstrous bill.

No presentation could cover all the problems with this bill. Not only will it fail in its alleged intent to promote economic prosperity, but it will do the opposite. At the same time, it gives arbitrary powers to government and shows contempt for public opinion and the welfare of the people of Ontario.

In conclusion, I want to say that when I was MPP, copies of government legislation were available in my office free. This service has been discontinued by Gary Stewart's office. This is symbolic of the anti-democratic approach of this Tory government.

I'll be happy to answer any questions.

**Mr Silipo:** Thank you, Jenny, for being here. I will say shamelessly that I wish you were sitting around this table other than as a presenter.

**Ms Carter:** So do I.

**Mr Silipo:** You've certainly given a fairly broad analysis of the bill, and I think one of the things we know is there very much as part of the backdrop to this is what the government is doing around the tax cut. That really is what is driving the agenda to make the kind of severe cuts that they are making in many, many services, as you've outlined, throughout the province.

They say that the cost is about \$5 billion, we think it's closer to \$6 billion, but even if it were the \$5 billion, they are cutting \$5 billion more in order to be able to then take that money and provide it, through a 30% tax cut, to the people in the province. While certainly the government is correct when it says many people will benefit specifically around the tax cut, we also know that the people who will benefit by far the most are the 15% of taxpayers who earn over \$85,000. They will gain something like 41% of that \$5 billion, or over \$2 billion, and the other 85% of the population is going to have to share the balance. At the same time, it's people in the middle- and lower-income levels who are of course going to be hit the hardest with new user fees and other various costs, so that they will probably see any benefit from the tax cut disappear.

I guess the only question I have of you in that is, because I know that you're still very active in the community, do you see that people are beginning to see through the kind of charade that we are seeing from the government in terms of saying that all of this has got to be done because of the fiscal bottom line when we know that's not why they're doing this?

**Ms Carter:** I don't think it's as widely realized as it should be, but hopefully the realization is coming. It's very ironic, because the argument is that tax cuts are going to boost the economy, that more people will have money to spend in their local areas and that this will be good for business and so on. But actually, the reverse is the case, that if you cut the incomes of lower-income people, this has a far more deleterious effect on the economy, because those people spend locally, they spend all the money they get, whereas if you boost the higher incomes it's quite likely to go to Florida or be spent on something that doesn't go around in Ontario and includes the economy we have here. This argument that tax cuts are going to grease the economy is quite invalidated by what is happening to people at the lower end of the income scale.

**Mr Stewart:** My name was mentioned a couple of times. I would like to suggest to Mrs Carter that the election is over and I think we should get on talking about Bill 26. I have difficulty asking questions because you didn't address much of Bill 26. But what I'd like to ask is, do you realize that 87% of the working population in this province make less than \$50,000 a year? If you don't realize that, if you're saying the tax cut should not be done, then everybody making \$50,000 or less, including the working poor, including the people that you're telling us don't make very much money—you don't want them to get a tax break.

**Ms Carter:** Sure.

**Mr Stewart:** Oh, you want them to get a tax break? You said "sure" so I assume they'd want to get a tax



break. Do you feel we should continue to spend the way we have in the past and continue to increase the debt and the deficit? When do we finally stop to get out of it?

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**Ms Carter:** I don't quite see what we have here that's going to achieve that objective.

**Mr Stewart:** You kept talking about how any type of cuts we've had and giving the local municipalities some autonomy was wrong. I'm saying to you, do you feel we should continue to spend the way we have in the past and constantly increase our debt and our deficit? How can we get things under control if we're going to continue to do that?

**Ms Carter:** What do we have here that is going to help in that situation?

**Mr Stewart:** I'm asking you a question, ma'am. I'll go to the next one, a little different one. You suggested that children should not be with their mothers.

**Ms Carter:** What? Oh, come on.

**Mr Silipo:** Come on, Gary, you can't make it up.

**Mr Stewart:** No, I'm repeating what the lady said. I'm just asking some questions. If you're going to make a comment about things, you must be able to give another rationale or another alternative, and that's all I'm asking for. That is my concern. Of course, the final one—

**The Chair:** Mr Stewart, you've come to the end of your time. Let's move to Mr Phillips.

**Mr Phillips:** I want to follow up on that a little, Ms Carter. Nice to see you, by the way.

Let's understand what the Common Sense Revolution is all about, and these are their own numbers. What they have to do is to cut spending by \$8 billion, so we're seeing that all across the province now. Why? To find a \$5-billion tax cut. What we hear from the government members is that we have this terrible deficit that everybody must focus on, and it is an important deficit and we must focus on it, so we've got to fight the deficit battle and that's why people are being cut. But for every \$8 that's cut, \$3 goes to the deficit, \$5 to the tax break.

I used to be a businessperson, too; I had 300 employees, I ran three companies. I understood this stuff. But if I had a huge deficit problem, there's no way my bank would allow me—and this is what they're going to do: They are going to borrow \$20 billion over the next five years to pay the tax break. You are all going to pay \$5 billion in interest to pay the tax break. These are the big business people who really know how to run things. They are going to borrow \$20 billion over the next five years, and these aren't my numbers, they are their numbers.

**Mr O'Toole:** They've been running it for 10 years.

**Mr Phillips:** Now they're starting to heckle me because they don't like the message. Remember they just said to Mr Silipo: "Must be quiet, must be quiet." These are the facts; these are your own facts.

Ms Carter, you probably have lots of people who come up to you in the street. Is this how you would run a business: borrow \$20 billion when you say you're bankrupt, pay \$5 billion in interest, to give a tax break, and \$2 billion of that tax break goes to people making more than \$85,000 a year? Is that good social policy? Also, is it good business policy?

**Ms Carter:** I wouldn't think so.

**Mr Phillips:** I agree with you, and I look forward to the chamber's presentation. They're business people, they know we have a huge deficit problem, but I wonder if they're supportive of borrowing \$20 billion to pay for the tax break, or, as Standard and Poor's say, the tax break can wait. We'll see.

**The Chair:** Thank you, Mrs Carter, for coming forward and making your presentation.

## GREATER PETERBOROUGH CHAMBER OF COMMERCE

**The Chair:** May I have representatives from the Greater Peterborough Chamber of Commerce come forward, please.

**Mr Don Frise:** Good evening and thank you for inviting us this evening. My name is Don Frise. I'm the general manager of the Greater Peterborough Chamber of Commerce, and with me this evening is our current president, Paul Peterson.

I'd like to spend a few minutes telling you a little about ourselves and then I'd like to make a few general comments and then get into specific comments on Bill 26 on a section-by-section, schedule-by-schedule basis.

The Greater Peterborough Chamber of Commerce is a non-profit business association. Now in its 107th year of operation, the chamber has grown to more than 1,000 members in the greater Peterborough area; in fact, our members employ approximately 20,000 people in this area.

Although the projects of the chamber have changed over the years to meet the needs of the community, the purpose of the organization has remained constant. The major objects of our association are to work for a strong local economy and to support the free enterprise system.

In essence, the chamber of commerce is in the wealth creation business, not the wealth distribution business. We believe that before you spend it, you first have to make it. As business people look around the world, it has become abundantly clear that if we want to provide social services to help those who are less advantaged, we must first provide an environment that allows us to generate revenues to pay for these services.

Members of the chamber of commerce come from a very broad grass-roots cross-section of the community. Some of your presenters tonight have talked about special-interest groups and so on. Yes, we do represent free enterprise, and yes, we do represent business, but our members include manufacturers, those in the hospitality and tourism sectors, as well as those involved in retail, construction, agriculture, the professions, and we also have many non-profit associations that are members of our organization. They're the people who are volunteers in the community, they're the people you see at church, they're the people you meet in the grocery store, they're the people in your neighbourhood. We have a lot of those people from our community as members.

However, today our typical member comes from the service sector and has an average of 10 employees. Those we represent are very much the sector that all levels of government have told us over the last 15 years have been creating over 85% of the net new jobs in our country.



Polls done of our members over the last few years have consistently shown that the number one barrier to business growth, according to them, has been the debt and deficit. However, running a very close second has been a constant concern about red tape and non-monetary barriers. Several years ago, over a two-to-three-year period, more than 500 business leaders from across the province were brought together to work out a plan that we eventually called *An Agenda for Renewal*.

Somebody said to me the other day, "Oh, the chamber has all the answers, doesn't it, Don?" I said, "No, we don't have all the answers." But we have access to some of what we think are the best minds in the province, in the country, and we're able to bring them together to provide advice to organizations and committees like yours, and we hope you'll take it at the value we place on it at least.

The message presented to the government of the day was quite clear. It stated that to unleash the entrepreneurial spirit of the province and to renew growth in the private sector, it was necessary to tackle the debt and deficit through the reduction of the size of government and a narrowing of the focus of government services to those things that government must do and can do well.

Ontario's government of today has shown some real initiative in working towards a reduction in government spending. We understand, unlike some others, that Ontario's budget cannot be balanced without a reduction in spending in a broad section of provincial programs. We understand that this will unquestionably cause hardship among those affected. That's one of the reasons why over the last few years we, not only at the provincial and local levels but federally—if you're going to cut spending, the first question that always comes up is, "Where do we start?" and we've said we will be willing to go first. We'd like you to cut all the subsidies to business over a period of time and in an organized fashion so we can see it coming, as long as you're going to use it to control the deficit and hopefully at some time in the future to start addressing the debt.

#### 2020

We also understand the need for quick action, not only to curtail the rapidly rising rate of growth of our debt but also to ensure that there's enough time for the strong medicine to take effect before the next election. There's no point in getting halfway across the stream and then turning around and trying to row back where you came from. We realize that what you have to do is get to a position where some of the measures you're taking will take effect before the next election occurs.

For these reasons, the Greater Peterborough Chamber of Commerce supports the government's initiative to act quickly and decisively to change legislation to allow the measures that must be taken to balance the books. For this reason, we're generally supportive of Bill 26. However, at the same time, we feel it's imperative that this legislation, like all other legislation, must be capable of standing the test of time. With this in mind, we attempted to review the many changes being proposed, and as a result of that review, we do have some comments we would like to share with you this evening.

Perhaps the greatest concern is that there are areas where we believe the changes being proposed may result in more red tape and a more complex environment for business in the province. Second, there are areas where we believe that democratic principles maybe at stake. Third, there are areas where it appears that the government may have forgotten that there is only one taxpayer and that by passing down the ability to tax and set fees at a lower level, we're not reducing the size of government but rather increasing it and quite possibly reducing the effectiveness of the tax collection system. We realize that the more effective you are in collecting the money you need to operate the province, the better off we're going to be and the less we're going to have to pay.

At this time, I'd like to comment briefly on a schedule-by-schedule basis on some of the things we noted.

Schedule B calls for a 2% tax on uninsured benefit arrangements. The backgrounder indicates that this change is proposed so that all benefit plans will have equal taxation. Although we're not opposed to treating all plans equally, we would argue strenuously that there shouldn't be a tax on benefit plans in the first place. We think it's in the best interests of the government and the citizens of Ontario to encourage business to provide benefit plans for their employees so that when employees require services, they do not have to rely on programs funded by taxpayers' dollars. We would also argue that this is a payroll tax and that payroll taxes kill jobs in the province. For this reason, we would ask that the whole concept of tax on benefit plans be reviewed at some time in the future.

Schedule E, subsection 43(1), talks about legislation to establish the electronic toll system on Ontario highways. It's interesting that 407, currently under construction, bears an amazing resemblance to one of the roads outlined in a report written here in Peterborough several years ago titled the *Ontario Motorways Network*. One of the things proposed in our presentation at that time was that toll systems should be used for new parallel systems of highways, like 407, to be built in the province. In fact 407, although we didn't call it that, was only one of three or four highways that we envisioned being built across the province.

There was a question asked earlier about the toll systems. The keys here were that they were parallel systems so the public had the right to choose between a toll highway and a non-toll highway. The other thing was that it was only going to be on new highways that were to be built and in fact, at the point where the highways were paid for, the tolls would be removed, along with toll booths, similar to the Burlington Skyway and other things we've done in this province in the past.

To change to electronic tolls certainly sounds like an improvement, both from the government's and the public's point of view. However, 43(2) states there will no longer be a right to a hearing on a disputed toll. We suggest that in this case, as in all other cases, there always has to be a reasonable basis for taxpayers to appeal items such as tolls, particularly when the system is new and particularly when it's electronic. We believe it's critical to reassure the public that Ontario is not leading towards 1984.



We note that schedule F authorizes the Minister of Health to revoke the licence of a private hospital if the minister is of the opinion that it's in the public interest to do so. We don't have any details of what is actually covered in the legislation under schedule F, and unlike our counterparts from Whitby who were here before, we don't profess to be experts in the health care field. However, as supporters of the free enterprise system, I think you'll understand that we're very concerned any time legislation is proposed that would allow one person to close down a private sector operation simply because he thinks it's the right thing to do. As I say, we don't have a lot of details on this section of the act, but we caution you to think it through clearly before the final draft is approved.

Schedule H, amendments to the Health Insurance Act and Health Care Accessibility Act: Again, we don't profess to be experts in the health care field. However, one of the things we bring to your attention is that our area, particularly the rural area that surrounds the city, has experienced recurring problems with attracting and retaining a sufficient number of physicians over the last few years. We would applaud any reasonable steps the government might take to alleviate some of the problems we've experienced.

Schedule K talks about the Freedom of Information and Protection of Privacy Act and the Municipal Freedom of Information and Protection of Privacy Act. As we read through the summary, we see under item 2 that the "head of an institution who receives a request for access to a record or personal information may refuse the request without any further obligation if the head is of the opinion on reasonable grounds that the request is frivolous or vexatious."

We believe that in a democratic country like Canada there has to be an appeal process for requests of this nature, even if the head believes they are frivolous or vexatious. We also believe that any fees set for processing a request for information must bear some resemblance to the actual cost of providing service. If these principles are not safeguarded, it's quite possible that discriminatory methods of dealing with requests for information may creep into the system.

The last item we would like to deal with is schedule M, amendments to the Municipal Act and various other statutes relating to municipalities, conservation authorities and transportation.

The chamber applauds the attempt of the Ontario government to give greater flexibility to the municipalities in dealing with their day-to-day operations. We believe this is necessary if we're going to allow municipalities to become more effective in the way they do their job. At the same time, we note that municipalities and local boards are given broad powers to impose fees or charges for any services or activities provided by them. In addition, the local municipality may, by bylaw, provide the licensing and regulation of any business carried on within the municipality.

We note on review of the text to schedule M that the proposed legislation contained under 220.1(2) allows a municipality and a local board to pass bylaws imposing fees or charges on any class of persons, and 220.1(3)

states that a bylaw under the section may provide for—and I haven't given you all of them, but just three:

"(a) fees and charges that are in the nature of a direct tax for the purpose of raising revenue;...

"(d) different classes of persons and deal with each class in a different way; and

"(f) the exemption, in whole or in part, of any class of persons from all or any part of the bylaw."

Under 257.1, the municipality is also given considerably expanded licensing powers.

For many years chamber members in Canada have been working towards removing barriers to trade between the provinces. We're concerned that by allowing municipalities to set myriad new taxes and licences and by allowing them to treat different classes of people in different ways, we may end up by layering in new barriers to trade within our own province. At the same time, we would question whether we won't, along with the reduction in spending at the provincial level, get a corresponding increase in taxation at the municipal level. We're concerned that because of the new structure imposed, red tape and bureaucracy will very probably increase and the efficiency of the collection process will decline.

In addition to these concerns, we note that under 220.1(9), "If a municipality or local board has imposed fees or charges under any act, no application shall be made to the municipal board under clause 71(c) of the Ontario Municipal Board Act on the grounds the fees or charges are unfair or unjust." Again, we believe there should be some recourse if people don't agree with what's happening.

We're very much aware that municipalities across Ontario are struggling to provide the services that their constituents demand while at the same time coping with declining revenues. Municipal governments in the area served by the Greater Peterborough Chamber of Commerce have performed admirably over the last few years in meeting these challenges. However, given new opportunities to license and to tax, we are afraid that the temptation to venture into these areas will be too great to resist.

Although we believe in fee for service, we must insist that legislation require that any fee for service be directly related to the cost of providing the service; otherwise, all we will accomplish is to download taxation, bureaucracy and red tape to a lower level. As I said to somebody just earlier, it's a little bit like taking a balloon filled with water. If you squeeze it at the top it just comes out the bottom. Definitely, if that's the situation, we aren't achieving the ends that we at least think you should be setting out to accomplish.

#### 2030

This will be doing nothing to help accomplish our objectives, which must be to bring the deficit under control through a reduction in spending to create a climate in which the private sector can create jobs and therefore hopefully increase revenue for all levels of government.

In conclusion, (1) we applaud and support the government for its efforts to quickly get spending under control and urge the stated course towards fiscal responsibility; (2) we are concerned that some changes proposed in Bill



26 may violate our sense of democratic principles; (3) we're concerned that some of the changes may result in an increase in trade barriers, bureaucracy and red tape; and (4) we're concerned that some of the changes proposed will merely shift taxation from the provincial to the municipal level and may result in an overall increase in business taxation.

Finally, Peterborough is a very environmentally conscious area and certainly we have a very great recycling program going on here, but we would suggest to you that government at this time might look at an additional set of 3Rs that it would apply to Bill 26 and ensure that it passes the test in all regards. The 3Rs that we would suggest in this particular case would be reduce, refocus and restructure: reduce the size of government, refocus our priorities to essential services and restructure operations for optimum efficiency.

**The Vice-Chair:** At this time each caucus has roughly four minutes and we'd start with the government.

**Mr O'Toole:** Thank you very much for a very interesting and informative presentation. I have to just sort of pick up on one theme. Perhaps the conclusion is a good place to start: "reduce the size of government, refocus priorities to essential services, restructure operations for optimum efficiency." That sort of sounds like the starting point for Bill 26 technically. Your input, although it's not absolutely perfect in all alignments—that's really the intent of the restructuring act, 1995. As a solid caucus person and representing an area of growth—I'm from the Durham East area—I support much of what you're saying and much of what we're doing.

I'm hearing from people in my riding of Durham East that people all over Ontario are fed up with being taxed and having a sense of powerlessness and no accountability. In fact, we're asking a lot of tough questions of all the service providers, right from health care to fire and police, and all of the services in between. Yes, I think really the points you've made about small business—indeed that's an accurate statistic. That's the future for this province.

In conclusion in my opening sort of comment, I'm proud to say that I'm on the caucus committee on the red tape review. I'm not sure if you're familiar with that committee that's chaired by Frank Sheehan. He's formed an advisory committee that's made up of all sectors. They indeed have a serious objective: to set about a template to indeed respond to both the ministry's ability to provide reduced regulation and administration and the business sector to be able to determine for them what would help them and give them the tools to empower them to do that to get the economy going.

With that in mind, I would just ask you a simple question. Given the need and the time line of a political sort of agenda of change, do you feel that the meeting process has been as democratic? I might draw to your attention previous legislation of omnibus nature by previous administrations; Bill 175, Bill 163, a number of pieces where there wasn't near the input that this committee has given to the public. What's your response? Do you think this process has benefit and merits—what your bottom-line interests are?

**Mr Frise:** I think we tried to state it as best we could in the presentation we made to you that we understand the urgency, the need to act as quickly as possible. We aren't legislators. We aren't skilled in preparing legislation and putting it into effect. I guess all we're saying is that we have to make sure that whatever legislation goes through is going to work not only for 1996 but well into the next century. The process that you've gone through in going out and getting consultation is very important, and we really appreciate the opportunity to be here tonight.

But ultimately, somewhere along the line, you as the government have to make the decision as to what you're going to do and where to go, and I think sometimes it's better to act decisively than to do nothing at all. So I would suggest that yes, we think you do have to act quickly, but I'm hoping you're also going to act prudently and make sure that all of the input you've received back—I don't know much about the amendments that are being proposed, but I guess it's reassuring to me as a presenter to hear that at least you're proposing some amendments, because we've got the impression over the last few years that when we've gone—

**The Vice-Chair:** Excuse me, we're getting into the opposition time.

**Mr Phillips:** I really appreciate the chamber's presentation. I think it's very balanced. It represents a chamber that I think takes into account the community. I don't find it a presentation that doesn't reflect the broad concerns of the community, so I compliment the chamber. You've done a lot of work on this thing as well. Whoever runs the chamber, I take my hat off to them. You've got some good recommendations in here. There's very little time to debate them, unfortunately.

On the toll roads, by the way, I think the government's intent is to sell the toll roads. It isn't just that there is no appeal; there's a provision there that they can put a lien on your house, your car or your business. It's all designed to sell the 407 off lock, stock and barrel, with an absolute ironclad guarantee of revenue. I don't think you're going to get that changed.

Schedule B, you're one of about three groups that have commented on schedule B, and it's an interesting comment you make. Again, they won't change that, because it's already built into the revenue, but it puts them into a bit of a tough spot to have to implement a dreaded NDP tax law that they hated that's in this bill here.

My question, I guess, is on your comments on schedule M. Frankly, we're all having difficulty in knowing what the intent is on the licensing fee, because I have a feeling that they've told the municipalities one thing and they may be telling the chamber a slightly different thing. But here's my interpretation of the licensing fee thing, and actually the city of Guelph—or city of Kitchener today—or city of Kingston—sorry, we've been to so many places. The city of Kingston, I think, explained that it is their understanding that they could put a licence on hotels, service stations, various alcohol sales places, that could be the equivalent of a cent a litre on gasoline or a dollar a night for hotel rooms or a dollar a litre for alcoholic beverages, and if the licensee doesn't pay it,



they simply increase the licence fee the following year; they say from \$1 a year to \$10,000 a year.

There's a part in the bill that says any section of this act that conflicts with a section of another act, the section that favours the municipality will override. So I guess I'm interested just to know whether the chamber has had a chance to look at the licensing provision, whether my interpretation of it is your interpretation and whether you support that.

**Mr Frise:** We haven't had a chance to really go through it thoroughly. Even schedule M is quite a detailed section. There's a lot of information in it. But as we've gone through it, certainly there's enough in there that we are concerned about it. I think we're more concerned even that different municipalities may set different taxes and different licences, and they may treat constituents and non-constituents in different ways and by doing that create trade barriers within the province. So I think that's where our concern comes from, number one. Number two, it may not be a cost-effective way of collecting taxes because, in fact, instead of taking it at this level, it may be taking it out at a number of small levels across the province.

Just as an example, we run the motor vehicle licence bureau in Peterborough. We've done that for over 75 years. We collect money for the Treasurer of Ontario and place it in his bank account on a daily basis at a rate of less than 3% of gross. We think that's a pretty effective way to collect tax dollars, and we think that's the kind of test that should be put to any new tax measure: Is it going to be effective? Is it going to do the thing you want it to do, get the money in in a very cost-effective way so it can be used for the social programs that the people of the province want you to spend it on?

**The Vice-Chair:** Sorry to interrupt. Mr Silipo from the third party.

**Mr Silipo:** Thank you for the presentation. Just to touch briefly on a couple of the points that you made. The reduction of red tape—I just wanted to say to you that I think you're absolutely right, that's something that needs to be done. I was happy that we were able in the previous government to make some moves in that direction, as you know, with the project that we called Clearing the Path which simplified greatly the registration of new businesses, and we're happy to see the present government continuing what I think is the logical next phase of that, which is the reporting mechanism for businesses, and indeed any other changes that can be made that simplify. All of those relationships between business and government I think need to be supported and need to be worked on.

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I wanted to focus particularly on your reminder to us about the fact that there's really only one taxpayer. I think even Mr O'Toole, if I took down his words correctly, said, "People are fed up with paying taxes." This is where I guess we continue to raise the concern that I think you raise this evening, if I've heard you correctly, which is that we need to be careful, as we provide municipalities with these broad powers to establish user fees, that we're not simply substituting one set of taxes at the provincial level for another set of taxes at the local

level because, as you said, that creates a problem for businesses in terms of the internal trade barriers. I would suggest it also creates a problem for people other than businesses, as well, for individuals who have to then pay those fees.

I just wonder if you could comment a little bit further on that basic principle in terms of what needs to be done to ensure that the provincial government is not just simply shifting its responsibility to the municipalities.

**Mr Frise:** One of the things that—fees for service, and certainly don't get us wrong. We believe that in many cases a fee for service is a very appropriate way for government to go, but we think there should be some direct bearing on the fee charged and the actual cost of providing the service. As long as those kinds of things are in place, that could be a real safeguard, that completely out-to-lunch type of rules and regulations and licences didn't come into place.

But quite honestly, I don't think we're experienced enough in the operations of a municipality to really comment well on that. I think that what you have to do is talk to the people at the municipal level and find out from them how they can do those things to try and safeguard the things we're concerned about while at the same time allowing them to do what they need to do.

I would suggest that most of the flexibility that should be going to the municipality is more the way they actually do the job than new powers to tax. Let them get the job done in a more effective way by some of the other provisions that are in there, talking about one lead organization within the municipality perhaps looking after the services for all that area. That makes sense. Give them more flexibility in the way they operate.

We've heard for many years that school boards and local municipalities are hamstrung because the province tells them what they have to do and then it says, "But we aren't going to give you the money to do it." So I think what you have to do is unleash them—and again this is from a rather uneducated person when it comes to how you run a municipality—by letting them be more effective in running the municipality. They're the experts. They know how to do it. Let them do it.

**The Vice-Chair:** Thanks very much for your presentation.

#### PETERBOROUGH SOCIAL PLANNING COUNCIL PETERBOROUGH COALITION FOR SOCIAL JUSTICE

**The Vice-Chair:** At this time we have the Peterborough Social Planning Council to present. Good evening. I'd like to welcome you to the proceedings. Could you just identify yourself and the other individual with you for the Hansard and the committee, please.

**Ms Jacqueline Powell:** My name's Jacqueline Powell and I'm the executive director of the Peterborough Social Planning Council and I'm speaking tonight on behalf of the board of directors of that agency. With me is Floyd Howlett of the Peterborough Coalition for Social Justice.

The Peterborough Social Planning Council is a voluntary, independent, community-based planning agency with the following mission: "Through research, community de-



velopment and public education the Peterborough Social Planning Council works to build a strong community.”

As our mission states, we believe in community and in the importance of strong, healthy communities. We think that a strong community enables all of its citizens to have a good quality of life. We believe that Bill 26 will detract from the strength of our community and other communities in Ontario and will jeopardize the quality of life of many Ontario citizens. We see serious problems evolving for a large number of individuals and for our community as a whole. Our presentation centres on three points: the process for the passage of Bill 26, the fairness of some of the facets of the bill and the accountability of government to the people of Ontario.

First, concerning the process for the passage of Bill 26. We are pleased that an agreement was reached for consultation on the bill, and particularly for meetings such as this one in Peterborough, and we're appreciative of the fact that the Peterborough Social Planning Council was allowed time on your agenda. We are concerned, however, that the time for consultation is insufficient, given the size and complexity of the bill. The Toronto Star indicated that 1,289 requests were made for only 367 spaces. If this is accurate, less than one third of those groups and individuals requesting a hearing will actually be heard by the committee. Social planning council is one of over 30 independent, community-based social planning organizations in the voluntary sector in Ontario, and as such, we have extensive experience in community consultation. One of the things that we've learned is that an inclusive process is essential to a fair and open consultation. Indeed, the present government's own Common Sense Revolution document states, “Our commitment is carved in stone—a 20% cut in non-priority spending in three years. But how we get there will be discussed in partnership with all Ontarians.”

Over the past few days, modifications to the original Bill 26 have been proposed. These important changes, which have been requested through the consultation process, point to the importance of thorough consultation. Such changes are what consultation is all about.

We recommend, in the light of the complexity of Bill 26, the high degree of public interest and concern about the proposed bill, and the promise of this government to discuss spending cuts in partnership with all Ontarians, that the consultation period be extended for at least an additional month.

The second point we would like to make tonight concerns the issue of fairness of the provisions of Bill 26. We are deeply concerned that this bill opens the door to regressive forms of taxation, which will hurt large segments of our population by making programs and services inaccessible to them. It is clear that many of the services provided by municipal government are essential services and are critical to the quality of life that we value so highly.

Subsection 220.1(2) states:

“Despite any act, a municipality and a local board may pass bylaws imposing fees or charges on any class of persons,

“(a) for services or activities provided or done by or on behalf of it;...

“(c) for the use of its property including property under its control.”

And in subsection (3),

“A bylaw under this section may provide for,

“(a) fees and charges that are in the nature of a direct tax for the purpose of raising revenue;...

“(e) different classes of persons and deal with each class in a different way.”

These provisions, in hand with the reductions in provincial funding to municipalities, which for the city of Peterborough amounted to a staggering 36%, will work against the very rationale for the establishment of municipalities. The central premise of municipal government is to ensure the provision of services which allow a decent quality of life, including waste disposal, public health, roads, libraries; in general, to make available to everyone the information and services which they need to maintain their quality of life.

Coupled with massive cuts in provincial transfers, a consequence of Bill 26 as it now stands is to diminish the capacity of municipal government to provide services and programs to all of its residents, to a situation whereby only the affluent will be able to pay for what they need, while many people are left without. This situation quickly leads to a dichotomy between haves and have-nots, those who can afford the services and those who cannot.

What we will be left with is a fragmented society, one which more closely resembles that of our neighbours to the south where, in Washington, DC, well-known journalist and author Linda McQuaig writes that on a drive through Anacostia, the sprawling ghetto in the southeast corner of the US capital, “We were quickly engulfed by the dreary remains of the once-viable working-class neighbourhood. There were abandoned cars and boarded-up houses and people with helpless, vacant looks. Driving deeper, the scenes grew grimmer. As we drove by block after block of dirty, low-rise housing projects, with walls smeared with graffiti and broken windows covered by wire mesh, I was struck by the realization that this descent into filth and degradation was happening in the richest country in the world, only minutes from the gleaming monuments to US democracy.”

Many of us have witnessed these same scenes as we've driven through the United States, and this is not the kind of country we want to live in. But this is the destination of Bill 26 and the accompanying spending cuts of the provincial government.

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We question the fairness of forcing municipalities to either eliminate needed services or pay for services which everyone needs through the imposition of user fees and additional taxes. We think that such fees and taxes will result in significant hardship for many residents of Peterborough, including seniors living on fixed incomes, and also the working poor.

Peterborough is a community which will be particularly affected by this approach, since the census indicates that 16% of the population in the county of Peterborough is comprised of seniors, compared to the provincial average of 12%. In addition, at 37% we have a higher percentage of low-income individuals in the city of Peterborough than the provincial average of 31% as well



as a higher percentage of low-income families at 13%, compared to 11% provincially.

While the bill allows for exemption from fees and taxes, the history of means testing is that it is also divisive. We believe that charity is no substitute for social justice. The Common Sense Revolution promised low-income Ontarians dignity and hope, not charity.

We recommend specifically that the provincial government reconsider the proposals of Bill 26 which would empower municipalities to impose additional fees or taxes for services or activities in view of the regressive nature of such fees and taxes and we urge the government to reconsider the drastic spending cuts it has imposed on local governments, boards and agencies. We are on record as opposing the government's proposed reduction of income taxes as inappropriate and untimely. Our fiscal problems were not caused by poor people and the burden of solving these problems should be shared equally and done in a progressive fashion.

Further, we recommend that the provisions concerning the imposition of user fees should be the subject of intense debate and discussion through further consultation, in order that we may identify creative alternative ways of paying for the provision of necessary programs and services, in a manner which would not lead to further fragmentation of society.

Our third and final point pertains to the accountability of government. When we think of the system of democracy as it is practised in Ontario for generations we think of a century or more of political traditions, cultures and values. These traditions start with periodic elections, public debate, ongoing consultation and accountability for decisions. One of the traditions of political accountability in the province is the ability to see what the government is doing and have input to government decision-making processes.

It is important to acknowledge that government does not always get it right the first time and therefore government should be open and accountable to public scrutiny. We find in Bill 26 strong moves in the directions of centralization of power in the hands of cabinet and additional barriers to the openness of government. For example, the bill proposes enhanced powers on the part of government to amalgamate municipalities, annex a locality to another municipality or engage in other restructuring without legislative change or input from the public.

As a second example, in the area of the privatization of public utilities, Bill 26 amends the Public Utilities Act to allow a municipality to waive the requirement to obtain the assent of electors for such a move. We feel that at the municipal level this provision removes opportunities for citizen involvement in decision-making and is therefore detrimental to the maintenance of a strong and healthy community.

This bill seems to presume that the end justifies the means. In other words, because we have a large deficit which must be eliminated, it's okay for government to grant itself new and sweeping powers. The spirit of this bill seems to be saying that, in order to accomplish deficit reduction, governments may now act without the check of open public scrutiny.

There have been moments of crisis in our national history when our government has acted as if the ends justify the means. Whenever this has happened, we have regretted it. For example, wartime internment of the Japanese in Canada was carried out in the full belief that the ends justified the means. We have since lived to deeply regret these actions.

In general, measures which limit the involvement of citizens in dialogue and ongoing consultation with government should not be introduced, as they limit the accountability of government and the practice of democracy as we have come to know it in Ontario. We recommend that the government reconsider the provisions of Bill 26 which grant additional powers to government to carry out restructuring. The centralization of power is not acceptable. At a bare minimum, the bill should be amended to include a sunset clause concerning these restructuring powers. We recommend further that the bill be modified to remove the opportunity for municipalities to waive the requirement to obtain the assent of the electors for the sale of public utilities.

In conclusion, we urge the committee to consider the underlying presumption of Bill 26: that it is necessary to fundamentally restructure the way government functions and the way that we pay for government programs and services. We believe that it should be possible to put our fiscal house in order without taking the drastic steps which are included in Bill 26.

**The Vice-Chair:** Mr Howlett, if you'd like to proceed.

**Mr Floyd Howlett:** Thank you for the opportunity to speak. As was mentioned, I am the chairperson of the Peterborough Coalition for Social Justice. This is a coalition of community organizations and individuals committed to working together for the elimination of injustice and the enhancement of the social, economic and environmental life of the community and the nation. The Peterborough social planning council is one of the member groups of the coalition.

As a social justice organization, we propose to examine the provisions of the proposed omnibus Bill 26 under the following headings: Are they democratic? Are they fair? Are they necessary? and then add some recommendations.

First of all, are the provisions democratic? In order to assess the democratic nature of a government's actions, we need some understanding of the role of government in a democratic society. We believe that one of the primary roles of governments is to enhance the livelihood of all citizens. Because of the competitive nature of society and unequal bargaining power, one party is often able to exploit another. So one of the roles of government is to protect the weak against the strong and to provide collectively goods and services essential for human development.

Basic among these are the rights to food, shelter, education, health, recreation and culture. Although Bill 26 may not deal with the collective rights to goods and services directly, it does provide the framework under which massive cuts to welfare, education, health, culture and the environment have been already made and are looking to make further cuts. In this respect, it would seem to be the very opposite of democratic.



Democracy also has to do with who holds power and how this power is administered. In a true democracy, power resides in the people and governments are the servants of society. The people's voice needs to be heard not only at election time, but whenever major changes are being made that affect the nature of society there needs to be consultation with those who are affected. The attempt to fast-track Bill 26 not only before the general public had a chance to know its contents but even before the Legislature had had a chance to digest it does not speak well for the democratic nature of this government.

**2100**

One phrase that keeps recurring throughout this document, which appears to me to be very anti-democratic, is this: "if the minister is of the opinion that it is in the public interest to do so." This suggests that the minister has no obligation to consult the constituency or to enter into democratic dialogue.

I'd like to consider democracy and downloading. The downloading of costs of welfare, education, health etc from the province to the municipalities while at the same time offering them the right to impose certain fees and charges far from compensates for the provincial government assuming its full responsibility for equitable standards across the province. The ability to raise major sources of revenue to meet basic human needs through income taxes and corporation taxes belongs to the province and cannot be administered locally.

One of the most ominous sections of Bill 26 and of particular concern to the citizens of Peterborough is one that Jacqueline has already mentioned, which comes under the Municipal Franchises Act. This provision, which eliminates the need to obtain electors' assent before exercising any power under the Municipal Franchises Act or any other act, leaves the door wide open for the takeover or the privatization of the Peterborough Utilities Commission, even against the wishes of the electorate.

Next, are the provisions fair? Bill 26 is not fair when it takes away pay equity rights from about 100,000 low-paid women in such areas as day care, libraries and nursing homes.

Bill 26 is unfair when it deregulates drug prices and when it gives powers to municipalities to establish a wide range of user fees. User fees, as has been mentioned before, are simply further taxes which hit the poorest segment of society most of all.

Bill 26 is unfair when it eliminates all funding for educational and recreational conservation authorities and allows municipalities to abolish conservation authorities and to sell off their land. Conservation authorities are among rural Ontario's biggest assets.

Bill 26 is grossly unfair since it supports a program to reduce benefits for the poorest members of society and promises to give a 30% income tax break which will primarily benefit the rich. There is no guarantee that those who receive large tax reductions will invest it in capital projects or in local consumer goods. They are just as likely to use it for a holiday abroad or invest in tax-free RRSPs, which by the way the higher-tax-bracket people are able to buy the most.

Are these provisions necessary? This is a question that I haven't heard asked or answered tonight. The rationale for Bill 26 is said to be "to achieve fiscal savings and promote economic prosperity through public sector streamlining and efficiency." However, it is doubtful that the fiscal savings will really promote economic prosperity. In a study done by the Canadian Centre for Policy Alternatives it has been shown clearly that "cutting government spending lowers national income, which in turn lowers employment. A drop in government program spending of \$1 billion leads to the loss of between 20,000 and 30,000 jobs elsewhere in the economy."

But there are alternatives. There are alternatives which could at the same time reduce the deficit, preserve our valuable social programs and eliminate the need for the imposition of user fees at the municipal level. We hear repeated often that taxes are too high. It's true that average working Canadians are paying their fair share of taxes, but wealthy individuals and profitable corporations are not. If they were paying equitable taxes, the deficit could be quickly and completely wiped out. For instance, over 98,000 Canadians with annual incomes of over \$100,000 take advantage of tax loopholes so that they pay no income tax. The proportion of federal tax revenue collected from corporations dropped nearly 200% between 1961 and 1994, from 20% to just 7.2% at the present time. There should certainly be room there for higher provincial taxes on profitable corporations.

Many argue, of course, that raising taxes on corporate profits would drive companies out of Canada. However, 23 other countries have higher corporation taxes as a percentage of GDP than Canada. Even the US has an inheritance tax and a minimum corporate tax rate.

Someone has spoken tonight already about the legacy for our children, and we hear the government talking about the terrible legacy we are leaving to our children in the form of national debt. But a much worse legacy, if we continue to diminish the role of government in our lives, is a society in which millions do not have jobs, a society in which resources are distributed in an obscenely unequal manner, a society in which the standard of living of the average family continues to decline, a society without a sense of its collective responsibility and a society in which the economic elite is ever more able to defend itself politically. This would be an unjust and irresponsible legacy to leave to our children.

Now briefly I'd like to make seven recommendations:

We recommend that the provincial government, in order to become more democratic, initiate consultations with affected parties before introducing legislation and that it provide for province-wide hearings on issues that involve major changes in policy.

We recommend that the government amend the section of Bill 26 which would allow the minister to make decisions on the basis of the minister's opinion of what was, as was said, "in the public interest."

We recommend that the government reverse the downloading of costs for welfare, education, health and environmental protection on to the municipalities and establish provincial standards, adequately funded by the provincial government.



We recommend that the government amend the provisions in Bill 26 which would eliminate the need for electors' assent for the takeover or the privatization of municipal commissions.

We recommend that in order to establish fairness, the government amend the section dealing with pay equity, that it restore these rights, continue regulation of drug prices and restore funding to conservation authorities.

We recommend that the government abandon the proposed 30% tax reduction and assign the funds to more adequate funding for welfare, education, health care and the environment.

At the same time, we recommend that the government initiate a study of fair taxation and alternative sources of revenue to meet the fundamental needs of Ontario's citizens.

2110

**The Vice-Chair:** Each party at this time has one minute, and we'll start off with the opposition party.

**Mr Phillips:** It's tragic we have one minute to ask you a question on something this important. I hardly know where to begin.

The government has cut municipal grants by 50% and then it struck a deal with the municipalities and said: "Well, if you'll keep quiet, we'll give you the right to set unlimited fees on virtually whatever you want. New licensing power. We'll fetter the arbitrators." Then they'll say, "We trust the municipalities; they'll do what's right." I trust the municipalities too, but in the end the mayor of Peterborough has a choice: You cut services or you put a bunch of new fees on.

I guess my question to you is, how would an area like Peterborough accommodate a substantial cut in grants but still wanting to maintain some of the essential services here for social services?

**Ms Powell:** I guess we anticipate there's going to be considerable hardship as a result of those cuts, particularly if user fees are implemented to make up the difference. We talked about the percentage of low-income people and seniors, and those people are going to be affected. They are not going to have the services they need. That's the kind of future we envision with this bill.

**The Vice-Chair:** Sorry to interrupt. Mr Silipo.

**Mr Silipo:** Thank you very much for the presentations. I too wish we had more time, but I think in another way you've really covered all of the essential points that strike at the heart of what the government is doing. I think particularly in your presentation, Mr Howlett, you make the point that really what this is about is not so much dealing with the deficit. If it was that, we may disagree with the government, but at least there would seem to be some logic to what they're doing. But the basic reason why they're doing what they're doing is to pay for the 30% tax cut, which is not going to benefit the average Ontarian. It's going to benefit much more proportionately, largely so, the richer citizens among our society.

**Mr Hardeman:** Thank you for your presentation. I can understand our difference of opinion on user fees and what they will or will not do for municipalities. I'm a little concerned on your position of being opposed to the restructuring. Recognizing that municipalities have functions to do in providing services and they also spend a

considerable amount of money on administration and governance, it would seem to me that it would be advantageous to all concerned that we have a system in place that would allow the municipalities to look at reducing the cost of that structure. I wondered why you would put forward a proposal to say we should not get involved with that because we're somehow endangering democracy in that.

**Ms Powell:** I guess it's more the how of doing it; in other words, without sufficient citizen involvement in it, without processes that allow municipalities to participate as partners in that. I understand some of the amendments actually speak to that. I haven't seen them yet, so I can't comment on them, but I think it's very important that there be citizen involvement in the decision-making all along the way and that it not be done simply as a move by cabinet.

**Mr Hardeman:** You're not opposed to restructuring then.

**Ms Powell:** No.

**The Vice-Chair:** Sorry to interrupt. We're out of time. I thank you very much for your presentation this evening.

#### SKI TELEMAR LTD

**The Vice-Chair:** The next presenter is Ski Telemark Ltd. I thank you for coming this evening. Could you just identify yourself for the committee and Hansard, and you can commence at any time.

**Ms Holly Blefgen:** Good evening, ladies and gentlemen and the standing committee on general government. My name is Holly Blefgen and I'm president of Ski Telemark Ltd.

On behalf of my company, Ski Telemark Ltd, I would like to thank the committee for the opportunity to appear before you at this hearing. I have come to deliver my oral presentation in an advisory capacity in hopes of providing an alternative, a more global economic perspective on Bill 26 and proposed amendments to several provincial statutes that will have a detrimental effect on Ontario's environmental protection.

I hope this committee will review the information contained in this brief and seriously reconsider the implications of Bill 26 in order to prevent loss of conservation lands to privatization; continued protection of our lakes, rivers and lands; and effective management of habitat and species populations for conservation of biodiversity of Ontario's wildlife prior to the third reading of Bill 26 on January 29, 1996.

My company is a small business, established in 1985 and incorporated in 1990. Ski Telemark consults and specializes in the design, marketing, management and delivery of quality outdoor education and promotional programs and services for domestic as well as international corporations and clientele.

In particular, Ski Telemark's primary business is the establishment of two-way tourism and trade between North America, Japan and Asia. The operations of Jitensha Cycling, in conjunction with Tokyo Tours Ltd, an Ontario-certified travel agency, provide specialty and custom tours for groups, businesses and individuals travelling to Japan and Asia; and Ontario Outdoor



Adventures, a division of Ski Telemark, manages and delivers a specifically designed tour program for Japanese clients visiting Ontario. Currently, Ontario Outdoor Adventures is uniquely positioned in that our summer program is capable of retaining Japanese clients in Ontario for six nights and seven days and has recently been requested by the provincial government to act as the receptive tour operator for all inbound Japanese traffic interested in undertaking any type of outdoor recreational activity or green tour throughout Ontario.

With 10 years of product and market development targeted at the Japanese marketplace, Ontario Outdoor Adventures has established and collaborates closely with many partners, including Ontario's Ministry of Economic Development, Trade and Tourism; Ontario's tourism office in Tokyo; FedNor and NODA tourism funding agencies; the federal government's Canadian Tourism Commission; the Canadian Embassy in Tokyo; and highly respected Japanese travel agencies and affiliated travel and outdoor businesses in Canada and Japan. Our business has also recently been contracted by FedNor to train and market tourism business partners, including municipalities, in northern Ontario for their preparation and entry into the Japanese marketplace.

In my presentation tonight I would like to address briefly the following topics as they relate to tourism and land use decisions: first, an historical overview of Ontario's visionary leadership in the process of creating, developing and protecting the public lands, water and wilderness areas as we know today; secondly, the significant role Ontario parks, conservation lands and wilderness areas play in our natural and cultural heritage and its utilization in tourism initiatives; and finally, the current and future economic impact of tourism involving Ontario's park system, conservation lands and water, and the incumbent wildlife.

Over a century ago, our province commenced on a visionary approach to the protection and preservation of public lands for the benefit not only of renewable resources for economic prosperity—for example, logging—but also for the betterment of health and recreational opportunities for the people of Ontario. In 1893, Algonquin Park became Ontario's first national park as a result of logging baron Booth's financial interest in the maintenance of the Algonquin highlands, and the foresight and efforts of civil servants James Dickson and Alexander Kirkwood in the concept of Algonquin as a "forest reservation and park."

The park was officially established in 1893, when the Ontario Legislature passed the Act creating Algonquin Park as "a public park, and forest reservation, fish and game preserve, health resort and pleasure ground for the benefit, advantage and enjoyment of the people of the province."

In 1913, the first Parks Act was passed, providing the province with the means to set aside crown land for park purposes if it was deemed unsuitable for settlement or agriculture. By 1945, seven provincial parks had been established, and with the passage of the Provincial Parks Act in 1954, marked expansion of the provincial park system occurred with the ability to purchase private lands. Also during this period, in response to southern

Ontario's ineffective management of land and water resources, the Ontario government once again recognized the need for environmental resource management and it created the Conservation Authorities Act, which came into effect in 1946, empowering conservation authorities to develop flood control programs that involved floodplain management, land acquisition and reforestation.

Today, with the recent creation of Parks Ontario within the Ministry of Natural Resources, Parks Ontario manages 265 provincial parks, representative of 6% of Ontario's land and water resources, and 38 conservation authorities managing 102,711 square kilometres of the province's land and water areas, located primarily in southern Ontario's densely populated regions. The concerted efforts and legislation of previous governments and the insight of concerned citizens' groups have endured and must continue to guide us into the 21st century.

The people of Ontario have benefited in many ways by this wisdom, through the enhancement of our quality of living, access to year-round recreational activities, protection of our natural heritage and wildlife, with the understanding that these environs would continue to be protected and offer sustainable development for the environmental, social and economic wellbeing of future generations. Hence, the currently proposed amendments in Bill 26 impacting on the environment of parks, public lands and conservation authorities will be unable to guarantee this expectation for future generations and will unwisely create distrust and misgivings with the general public towards the government.

#### 2120

In the protection and management of Ontario's land, water and wildlife under the auspices of the Ministry of Natural Resources, conservation authorities and other non-profit organizations, such as the Federation of Ontario Naturalists and the Nature Conservancy of Canada, these provincial organizations and their respective staff have become and are formidable leaders in environmental protection, conservation, stewardship, wildlife and watershed management in Canada. Currently, these organizations are being contacted for their expertise and services throughout the world. It would be shortsighted by the current government to dismiss these organizations' input and recommendations in the proposed amendments affecting the Conservation Authorities Act, the Lakes and Rivers Improvement Act, the Game and Fish Act, the Public Lands Act and the Mining Act, included in Bill 26.

These historical achievements and outcomes have placed Ontario in an enviable position. For tourism, Ontario offers a unique world-class system of parks and conservation lands, an abundance of wildlife, a heritage of environmental integrity, excellent year-round recreational opportunities and services that are ready to compete for tourism dollars and market share, both domestically and internationally.

On the domestic front in 1993, provincial parks recorded over 8.4 million visitation days, generating a total of \$16.3 million in permit sales alone, the primary visitor, 90%, being from Ontario and other Canadian provinces. The Association of Conservation Authorities of Ontario also reports that in 1990 recreational opportu-



ities enjoyed in conservation lands drew a total of 5.165 million annual daily visitors and generated \$13 million in revenue. Despite the lack of more up-to-date statistics, nor an economic measure and record of benefits garnered by communities surrounding these areas, and the lack of tourism marketing campaign of Ontario's wilderness and outdoor recreational opportunities, the potential for tourism development and economic prosperity for Ontario is limitless.

Using Algonquin provincial park as a model, Algonquin's wilderness has captivated the minds and hearts of millions of Canadians and visitors from around the world. The park has inspired artists, writers, scientists, photographers, canoeists and campers and instilled a strong sense of our cultural and natural heritage. However, not until 1989 did Algonquin Park's goal statement reflect the commitment of the Ministry of Natural Resources to have Algonquin Park contribute to the economic life of the region through tourism. This revised goal and the construction of two major facilities, the new visitors' centre and logging museum for Algonquin's 100th anniversary celebration, increased visitation by 38% from 1992-93, with a 5% increase in visitors exceeding 880,000 in 1994. On average, the day visitor group expended \$205 per day.

With regard to the promotion and marketing of Ontario tourism internationally, it has been identified that travellers from Europe visit for the following reasons: to enjoy natural or vast "authentic" wilderness; outdoor experiences; to view key sites and cultural events. For Japanese travellers, their interests are in new experiences, cultures, heritage and the environment, with preferences for nature and wildlife.

To address these markets, the province's current marketing strategies, directed at the European and Japanese marketplace, emphasize the following:

- To increase awareness and build Ontario's image as a high-quality, unique, safe, year-round destination;

- To position tourism products and experiences unique to Ontario through the message of "Only in Ontario";

- To develop and offer products specific to soft adventure travel, including FIT tours, which are independent tours, resort/lodge/inn stays, canoeing, wildlife viewing, fishing and native experiences.

In 1994, these primary markets of Europe, which include the United Kingdom, Germany and France, generated \$510 million, 4.4% of Ontario's travel revenue. Of the European market, Germans spent the most in travel to Ontario, an average of \$797 per person, per trip, with an average stay of 7.8 nights. The Japanese incurred \$151 million on travel to Ontario, staying an average of 4.2 nights and spending \$631 per person, per trip. Most significantly and for the first time, Ontario received 37% of all Japanese visitations to Canada, a total of 238,000 visitations, the largest share of any single province, with British Columbia second with 35% of total Japanese visitations.

It was projected for 1995, a 10% increase from Japan to 270,000 visitations, with a generation of revenues at \$170 million. Japan is Ontario's second-largest overseas market to the United Kingdom and the fastest growth potential. From these findings, it clearly illustrates inter-

national markets' growing demand and interest for enjoying and visiting Ontario's great outdoors.

As for federal government initiatives, Ontario and its respective tourism suppliers were recently approached to participate as partners in the Canadian Tourism Commission's Canada Adventure Program for the American marketplace. As stated, the opportunity read as follows: "We intend to exploit the burgeoning consumer interest in travelling in a natural setting by more aggressively marketing Canada's sought-for assets. More than any other country Canada has the adventure product that this market is looking for: pristine, spacious, uncrowded beauty; safe, close, foreign and great value; reputation for environmental integrity and social consciousness; product for both soft and hard adventurers."

The American marketplace, represented by the eight closest states to Ontario's borders, generated \$1.876 billion in travel to Ontario, representing 16.4% of Ontario's total travel revenue for 1994. Overall, the total travel revenue for Ontario was \$11.44 billion, with a projected goal of \$11.83 billion for 1995.

The relevancy of these facts and figures, however, must also be kept in the context of tourism development in Ontario. Until recently, Ontario's tourism and marketing efforts have been focused primarily on Niagara Falls, Toronto and Ottawa, and tourism revenues have been considered a minor player in Ontario's economic outlook as well as in Canada's tourism industry. Ontario has also been isolated from 25 years of federal government initiatives directed at overseas markets actively promoting and marketing "Big Nature," "Outdoor Canada," in reference to British Columbia and Alberta.

In light of this information, tourism for Ontario is and will become an integral player in Ontario's economic bottom line, and whose industry will provide prosperity and job creation for today and tomorrow. The following statements from an article featured in the *Globe and Mail* on January 4, 1996, headlined "Tourism Getting New Respect in BC," effectively addresses a similar situation that has arisen for Ontario:

"Today, British Columbia with its adoption of the 'Super Natural' image has brought much wealth to the province and is considered one of the leading growth industries for BC, generating a total revenue of \$6.314 billion in 1994. However, for tourism to grow, BC is seriously recognizing the need to sustain the product. Therefore, protecting this product image that has been promoted worldwide requires that the economic value of tourism must be considered in land use decisions. Currently, BC's NDP government has recognized the value of leaving the environment in its natural state and that it has to set up a sustainable base for the forest industry. They have also created more than 100 new parks—"including vast tracts in remote corners of the province and smaller areas within the sites of city centres."

In comparison, tourism to Ontario also offers a "super natural" environment, with outstanding recreational, cultural and tourism-related activities. However, Ontario to date has been able to maintain the product within our provincial park system and conservation lands, achieved through a remarkable visionary process conducted over



this past century. Now, like British Columbia, it has become inevitable, however, that Ontario must take the next step and incorporate the economic value of tourism in land use decisions.

In my concluding remarks I reiterate the facts. The province of Ontario proudly possesses pristine, spacious, uncrowded beauty, offers safe, close, foreign and great value, a reputation for environmental integrity and social consciousness and can provide products for both soft and hard adventures.

These assets that many Canadians take for granted are being threatened. With the introduction of Bill 26, Ontarians will see the systematic annihilation of conservation authorities, the erosion of our natural areas and wildlife, with an overall decline in environmental integrity.

**2130**

Bill 26 states that the funding to conservation authorities will be further reduced, by 70%. It is evident that the government wants to restrict conservation authorities' involvement in the land to strictly flood control capacity. Our wildlife and ecosystems are threatened, and only those with a vested interest in commercial or recreational use of fish and wildlife will sit on governmental advisory committees.

Bill 26 does not allow those with knowledge and experience about our environment to contribute expertise on resource management. Our lakes, heralded the world over as clean and pure, are also in jeopardy through the implementation of amendments which no longer require permits for all works on lakeshores, rivers and streams. Habitat of aquatic species will be jeopardized, thereby having detrimental affects on the food web.

Finally, the economic reality of these changes wrought by Bill 26 will not only have negative impacts on Ontario's environment; it will also lead to massive financial decline in tourist-generated revenue for the province of Ontario. As an impassioned Canadian and as a citizen of this province, this bill represents the loss of the public's sacred trust, and a loss of our natural heritage and our identity as people and as of this country.

In conclusion, I request of this standing committee on general government their serious rethinking of the proposed statute amendments in Bill 26. I would appreciate a reply to this presentation and a receipt of Bill 26 prior to its third reading on January 29, 1996. Please, please, consider the economic value of tourism in land use decisions.

**Mr Silipo:** Thank you very much, Ms Blefgen. Here's an interesting observation: Yours is the 194th of 195 presentations that this part of the committee will have heard, and it's after 9:30 on Friday evening. You have provided us with an analysis that no other presenter has provided us, because I think that while a number of other people have spoken to us about the value of our environment and the need to protect it, you have clearly given us an additional set of analyses on that with respect to the economic value, as you put it, of tourism and ecotourism and the value to the province as a whole as a result of that. I appreciate it as a legislator and I appreciate it particularly in my role as critic for the NDP for both Economic Development and Tourism.

If for no other reason than the reasons that you've given, it seems to me that it would be incumbent upon the government to realize that it should go slower on some of the changes that affect conservation authorities, that affect the environment as a whole, as you've outlined, and to realize that if they're not convinced by the environmental arguments, they ought to be convinced by the economic arguments, which they seem to be so wedded to. So thank you for the presentation.

**Mr Galt:** Thanks for the presentation—very well-informed and one with a lot of concern in giving some good recommendations. A lot of thought has gone into it.

I don't think there's any question here in Ontario, and Canada in general, that probably our future can be with things like tourism and our resources, and we need to better use and take more advantage of them. When I say "take more advantage," I don't mean to destroy, but to bring people in to see them through tourism. There couldn't be a better role for us to be playing here.

We explored it a little bit earlier, and it has to do with conservation authorities and their role. The Ministry of Natural Resources, and to a lesser extent we could toss in two or three other organizations, but the previous presenter was agreeing with the duplication there. We as a government would like to get away from as much duplication as possible. Do you see that their role could be played by Natural Resources rather than having two different organizations there?

**Ms Blefgen:** That's a difficult one. I think they all have a particular role because they each have their own expertise. I guess from a tourism point of view, though, and dealing with all these organizations, I have found that sometimes there's not enough communication between them. So I can understand the point that there is some duplication, maybe. I think in some ways, though, it could be done, in the sense that even the Ministry of Economic Development, Trade and Tourism and the Ministry of Natural Resources—and I rarely have heard maybe the conservation authorities all talking to one another.

**Mr Galt:** That's part of the problem.

**Ms Blefgen:** I think that's part of the problem. I think if you are looking at restructuring, there should be some kind of communication channels opened up, because it could do so many wonderful things for this province if that started happening. I am speaking here tonight because I have been the intermediary talking to all of these people and trying to say: "Can this be done? What do you think?"

**Mr Galt:** The other area might be environment. A tremendous number of people just automatically think that's an environmental concern or an environmental role, and in its broadest sense it is, but not in the discipline as we have divvied it up in the present Ontario government.

The other area—just for a second, so I don't take too much time here—relates to the 55,000 licences that were given out last year by Natural Resources for everything from building docks on. That must take a tremendous amount of time on behalf of the civil service. I'm wondering if we couldn't go more to establishing the standards, make sure they're well advertised in those areas



and expect, by peer pressure and monitoring inspections, that that would be carried out.

**Ms Blefgen:** You mean, not have the government give out permits to people?

**Mr Galt:** Not having to develop this application. I went through a tremendous ritual over a small dock and I know it took up an awful lot of staff time. All they had to do was give me the standards and specifications and I would have built it that way.

**Ms Blefgen:** I guess, unfortunately, if everybody was just building a small dock, then that would be fine, but you get so many variations on that theme that it's very hard to address otherwise. If you don't have something in place to protect the environment in the fish habitat side, then I don't know what else you can do. I have seen things go on in my own cottage association area. At one time there were boat-houses; now they don't allow boat-houses any more. I think it can be streamlined, yes. I have just built a house in Hope township, so I know what one has to go through to get a permit, but it's a process that I think needs to be there and should be continued. But yes, I think maybe it could be streamlined a little more.

**Mr Phillips:** I appreciate your presentation. I think it's only now that people who are concerned about the environment recognize the tremendous change in the bill that impacts on the environment. I think they actually, when the bill was introduced, believed it was about fiscal savings and that it was what it said it was. Tonight we've heard two excellent presentations, one from the Ontario Federation of Anglers and Hunters which expressed many concerns about the environmental impact of all the changes in this bill, and now yourself. The problem, I think, you run into and we run into is that there's one more presentation and then this is going to be law, before most of the people who are concerned about the environment have even recognized the impact.

**Ms Blefgen:** I don't think many people know about the impact of this environmental bill.

**Mr Phillips:** That was going to be my question. You are obviously someone very interested in it, but just in terms of the groups and the individuals you talk to, is it fair to say that there's very little awareness of the environmental impact of this bill?

**Ms Blefgen:** Very little. People who I know in my own business haven't even come forth to say anything to me. I had to go out and buy information to put some of this information together. For example, on the bill, I had to go to the environmental law association to find out about it. I didn't even receive a copy of Bill 26.

**Mr Phillips:** I appreciate it. I would just say to you that there is no doubt that there were a few people at this table writing this bill—the Association of Municipalities of Ontario was one of them; the mining companies were another—but the environmentalists weren't there. I assure you, in my judgement, once people become aware of the trampling on the environment that's gone on in this, in the interests of them getting their tax cut, I think they will find they will have stirred up a hornet's nest. The problem is, it will all occur after this becomes law.

**Ms Blefgen:** That's the very unfortunate fact, yes.

**Mr Phillips:** That's why, as I think you know, we've

said to the government: "Listen, there are some things in this bill that are so important to deal with fiscally, we'll deal with them on January 29. But the rest of it, let's have an opportunity for people who have spent their life in these areas to have some input into it."

**Ms Blefgen:** I agree. I only had less than one week to prepare this presentation.

**The Chair:** Thank you very much for coming forward this evening and making your presentation to the committee.

**Ms Blefgen:** Thank you kindly for listening. I appreciate it very much and I await receipt of Bill 26.

2140

## COUNTY OF PETERBOROUGH CITY OF PETERBOROUGH

**The Chair:** May I please have representatives from the city of Peterborough and the county of Peterborough come forward. Good evening, gentlemen, and welcome to the standing committee on general government. You have half an hour this evening to make your presentation. You may use that half-hour as you see fit. You may wish to leave some time at the end of your presentation to entertain response and questions from the caucuses. I'd appreciate it if, at the beginning of your presentations, you'd introduce yourselves for the benefit of Hansard and committee members.

**Mr Doug Percy:** I'm Doug Percy, the warden of the county of Peterborough, and to my right is Doug Armstrong, our CAO.

**Mr Jack Doris:** I'm Jack Doris, the mayor of Peterborough. We have our chief administrative officer, Ron Chittick, with us. Mr Percy, the warden, is going to precede me.

**Mr Percy:** I would like to cover a number of issues regarding Bill 26, particularly schedule M to the bill. The changes appear to give municipalities added authority to carry out their own functions. This is something that we have been asking for for a long time. It is disturbing to hear of some presentations made to your committee implying that local government cannot be trusted with these powers. For those who make such a suggestion, they should only think of how local government is formed. The elected members of local council are in direct contact with the electorate in every respect, different from the provincial and federal members who are not.

Having the ability to set charges and licence fees, the opportunity to raise money in other ways than property tax will give local government added flexibility. This option, although called user fees, is a tax upon those members of our community who use the service. It may not be the clear answer that is needed.

Our only concern with the proposals regarding user fees and licensing relates to the ability of the minister, by regulation, to exempt a business or class of business from a licensing bylaw or to impose conditions on the powers of a local municipality under this section of the act. In our opinion, any attempt to exempt a business or class of business from licensing or to limit the powers of a municipality under this section must be outlined in the legislation.



We believe that the government, when considering the bill, should come to grips with the transfer payment issues and make it clear to municipalities what they can expect in ample time. We want you to ensure that local government knows now what it can expect this year. And when the provincial budget is set for 1996-97, we should know then what to expect for our 1997 fiscal year. We attempt to plan for a longer term. With shifts made in funding formula during the year, it can be extremely disrupting.

Peterborough county has considered reorganizing some of its local municipalities, to no avail as of yet. To accomplish this task, if needed, a more expedient method has to be put in place by the province. Section 25 of the bill deals with the issue. However, we are concerned that a body which may not be elected members could begin a proposal for restructuring. This we believe would not be in the best interests of local governance.

Sections 25.2 and 25.3 set out the general conditions for the appointment of a commission. Generally, this appears to be a reasonable approach, but we have some concerns with the notion that a commissioner can draft the regulation which would then be passed. The commissioner should be required to present the report to the minister, who could then prepare a regulation setting out the direction. It is important that elected persons carry out this responsibility.

Subject to the above concern, we believe that the principle outlined in the bill regarding restructuring of local government is appropriate.

The proposal regarding the migration of services is a welcome one. However, we believe that there may be some need to attempt to determine what services should be or could be provided by the upper tier. We are aware that the Association of Municipalities of Ontario has stated, "It is vitally important that municipalities—not Queen's Park—determine which level of municipal government is most suited to provide a service."

Allowing municipalities to dissolve special-purpose bodies is certainly a step in the right direction. This will bring more accountability to the elected members of council; thus, the ratepayers will then know who is responsible. Consideration must be given as to who will provide the service previously delivered by each particular body. If the service is no longer needed, how will the clients or the customers be notified, and will there be any requirement to deliver the service by the municipality after changes have been made? Bill 26 should at least set some parameters for the provision of services by a former body.

We would like to inform this committee and hopefully the minister that Peterborough county has had a great deal of success in expenditure reduction over the past five years. Our staff complement has been reduced by 12%. Payroll has been reduced by 12.5% between 1991 and 1995. The county tax levy has not increased since 1993, in spite of implementing a very aggressive recycling program. In the past five years, the government of Ontario has hit us with the expenditure control program and the social contract targets, which we have met. These amounts were met by staff reductions and streamlining our methods of operation.

Within Peterborough county, the reduction in funding due to the Ontario Municipal Support Grants Act amounts to approximately \$1.75 million. We do recognize that the Minister of Finance said that the cuts should not be offset by increases to property taxes. Service charges are another form of tax. We are very concerned with the ongoing requirement to deliver provincial programs and at the same time help to finance them. It may be time for the province to relieve some of the burden and let local taxes support local requirements.

We are concerned with the authority granted to the minister which allows him or her to establish standards for activities of municipalities, including the provision of services, and, more specifically, which allows the minister to be general or specific in the application of the regulations.

With respect to changes in the Public Transportation and Highway Improvement Act, we have some concerns regarding those municipalities that have been excluded from the county road system due to their remoteness. We are aware of discussions that some provincial highways are to be transferred from the provincial system. It is going to be very difficult to accommodate all of these significant changes in a short period of time.

We would like to propose that the proposed amendment to subsection 44(2) of the Public Transportation and Highway Improvement Act be amended to read:

"(2) The bylaw shall provide for the levying of a general annual rate upon all the municipalities in the county not separated therefrom for municipal purposes, and may, for those municipalities which were not subject to a county road levy prior to January 1, 1996, provide for a phase-in of their portion of the levy on a basis determined by county council."

In summary, I, as the head of Peterborough county council, am not dissatisfied with the moves that the government is taking in the interest of reducing the debt of the province of Ontario. Local government will shoulder its share of the problem. However, we want it to be recognized that the fiscal problem in Ontario is not one of local government expenditures, but of provincial government programs that have either gone out of control or over budget.

We believe that Bill 26 should have a review provision built into it, sometimes known as a sunset clause. This will ensure that the legislation and what it was intended for is indeed considered in the light of the day. It is also important to be able to analyse just how well it has worked.

I will now defer to the mayor of Peterborough.

2150

**Mr Doris:** Good evening, Mr Chairman, and Mr Silipo and Mr Phillips and Mr Hardeman and your associates. I'd like to thank you for coming to Peterborough. There are two big events in Peterborough today. One is the hearings on Bill 26, and the other is that the largest Atom hockey tournament in the world is taking place in Peterborough. It started on Wednesday, 118 teams. I went down and participated in the opening exercise tonight and we were presented with a cheque for the palliative care unit at St Joseph's Hospital and a \$20,000 cheque for our



new community centre, and I wondered, was there a presentation to be made here?

**Mr Stewart:** We could use it.

**Mr Doris:** Members of the committee, I would like to thank you on behalf of city council for the opportunity to appear before you tonight to present comments on Bill 26. Bill 26 is an important piece of legislation for municipalities across Ontario. The province has announced reductions in transfers to municipalities of \$657 million over the next two years, and municipalities will need some help to cope with such a significant loss of revenue. Bill 26 provides some tools for municipalities to use in making the necessary adjustments to budgets.

While the city generally supports the legislative amendments set out in Bill 26, we do have concerns with some of the proposals. Our concerns will be identified as I proceed with comments on the specific schedules included in this bill.

**Schedule A: Public Sector Salary Disclosure Act, 1995.** We commend you for your recommendation that organizations which receive public funding will be required to disclose annually the names, positions, salaries and benefits of employees paid \$100,000 or more a year, but the policy falls short. Under the proposal as presented, the corporation of the city of Peterborough would be unable to make public our senior staff remuneration. We have no one on our payroll making \$100,000 or over annually.

Disclosing just the salary ranges is no longer acceptable to the taxpayers. They want to know precisely what our—

*Interjection.*

**Mr Doris:** This is the way you guys act in the Legislature; you're in Peterborough now.

Just disclosing the salary ranges is no longer acceptable to the taxpayers. They want to know precisely what our city administrator makes, our director of utility services, the director of community services, our police and fire chiefs. In fact, the taxpayer wants to know what each person receives in remuneration while on the public payroll.

Here in Peterborough, this subject has been a matter of constant public discussion and editorial comment. For years, the public has been saying they have a right to know precisely what we pay our employees. They want full disclosure, and Peterborough city council concurs with their wishes. The Public Sector Salary Disclosure Act should be amended to require municipalities to disclose exactly what each employee receives in the form of salary and benefits. The wages of those covered by collective agreements are made public. What is the justification for not disclosing the wages of non-union personnel? In the opinion of Peterborough city council, such justification does not exist.

**Schedule J: amendments to the Pay Equity Act.** Part III.2 of the Pay Equity Act sets out the proxy method of comparison to be used for public sector employees where a review officer finds that there is a female job class that cannot be compared to a male job class under either the job-to-job method of comparison or the proportional value method of comparison. Under Bill 26, part III.2 is repealed effective January 1, 1997.

The city of Peterborough has frequently been directed to provide comparative information to a number of outside organizations and other municipalities, some of which have been located in excess of 150 kilometres from Peterborough. The requests have resulted in city staff committing hundreds of hours of review and research time in order to properly respond, hours the city hall can ill afford to give.

It is proposed that schedule J to Bill 26 be amended to provide that municipalities not be required to provide information for the purpose of the proxy method of comparison effective January 1, 1996, or alternatively, that the information be provided on a cost-recovery basis.

**Schedule K: amendments to the Municipal Freedom of Information and Protection of Privacy Act.** The city of Peterborough supports the proposed amendments to the Municipal Freedom of Information and Protection of Privacy Act. The city has dealt with requests in the past which would certainly under the proposed amendments have been denied on the grounds of being frivolous and vexatious in nature. Staffing levels in all city departments have been reduced in recent years to deal with funding cutbacks. The city cannot afford to commit valuable staff resources to respond to freedom of information requests which are clearly frivolous and vexatious.

As indicated earlier, the city supports the introduction of the Public Sector Salary Disclosure Act, but feels the act should be amended to require municipalities to disclose the exact salaries and benefits of all employees.

**Schedule M amendments to the Municipal Act and various other statutes; restructuring:** The city of Peterborough supports the sections of schedule M related to municipal restructuring. The city believes it may be possible to provide municipal programs and services more effectively and more economically with some revisions to municipal structure. The city of Peterborough and the county of Peterborough have acted quite responsibly in dealing with issues of mutual concern in the past. A number of joint boards have been established, including a home-for-the-aged board, the health unit and a tourism board. In addition, the city and county have established a joint steering committee to deal with the waste management master planning process.

The city has established a committee of council to consider Bill 26 implications, and the committee is prepared to meet with representatives of the county to review restructuring opportunities that may be of benefit to city/county residents.

We believe there is a need for the province to more clearly articulate the objectives of municipal restructuring. In this regard, it would assist the city in our review to have the minister establish the restructuring principles to be considered as set out in section 25.4 and to release regulations under clause 25.2(9)(b) at the earliest possible date.

In addition, the section dealing with the establishment of a commission, which may be composed of one person, needs some clarification. It is unclear under what circumstances a commission will be established by the minister, and the legislation seems to suggest that an order of the commission is final. It seems unreasonable for the report of a commission to be implemented prior to some form of ministerial review and endorsement.



Efficiency and effectiveness of municipal operations: Under section 83.1, municipalities will be required to provide the minister with information related to "the efficiency and effectiveness of the municipality's operation." In addition, under the proposed legislation, a municipality may be required to have the information reviewed or audited.

While the city appreciates the desire of the minister to ensure municipalities operate in an efficient and effective manner, the city is concerned that the requirements to provide, publish, review, audit and make the information available could be onerous and expensive. In addition, unless the information is fairly basic in nature, it is quite likely the information could be misinterpreted.

It is proposed that section 83.1 regarding the efficiency and effectiveness of municipal operations be deleted and that discussions be held with the Association of Municipalities of Ontario and the Municipal Finance Officers Association of Ontario to review municipal reporting requirements.

Dissolution of local boards: The city of Peterborough supports the provisions of the bill related to the dissolution of local boards. The city feels that in these difficult times it is important for municipal councils, who are directly accountable for decisions regarding the expenditure of public funds, to have the power to dissolve boards and commissions. It is noted that under subsection 210.4(4), the power to dissolve local boards does not come into effect until the minister publishes regulations under subsection (7). The minister is urged to publish the regulations at the earliest possible date.

Fees or charges: The city supports the proposed amendments which would provide municipalities with the expanded authority to impose user fees or charges. User fees have been an important source of revenue for the city in the past, and as provincial transfers continue to decline, new revenue options will have to be considered.

Ontario Municipal Support Grants Act: The city has some concerns with the introduction of the Ontario municipal support grants. In Peterborough, the Ontario municipal support grant program includes the former unconditional grants and the conditional grants provided by the Ministry of Transportation. Premier Harris announced to municipalities last summer that they could expect a 20% reduction in funding for 1996. In November, the Ontario municipal support grant program was announced and municipalities were advised that funding would be reduced by 23% in 1996 and a further 20% in 1997.

The city was shocked when they were advised in early January that grants for 1996 would be reduced by 36%, or \$1 million more than we had anticipated based upon the November economic statement. This situation is even more disturbing when you compare the city's 36% reduction with the examples of low single-digit reductions, and in some cases actual increases in grants, experienced by many municipalities across the province.

It is proposed that the Minister of Municipal Affairs allocate the reductions in transfers to municipalities in a fair and equitable manner in the future, and that specific reduction targets for 1997 be announced at the earliest possible date.

## 2200

The city of Peterborough can manage its affairs in a responsible manner under the new Ontario municipal support grants program. The program of block funding should be considered as unconditional in nature and, as indicated above, funding levels should be announced well in advance to provide municipalities with sufficient lead time to make whatever adjustments are necessary re budgets.

Suburban roads commission: The city supports the elimination of the suburban roads commission, as proposed in Bill 26. Suburban roads commissions were created to manage the main farm-to-market road system in counties where a separated town or city is found. The commission designates roads it believes should be placed under its jurisdiction for the joint sharing of construction and maintenance costs between the county and the separated municipality. All suburban roads, however, remain under the county's jurisdiction. Suburban roads commissions are now outdated, as the urban municipality no longer depends on the farm-to-market transportation of agricultural products to the degree it did in the past. Urban municipalities can argue that city streets are frequently travelled upon by county residents who come to the city to earn a living, as indicated by the fact that the rural areas in which the suburban roads are located are no longer primarily agricultural, but are predominantly residential and recreational in makeup. That statement is as related to assessments.

Schedule M, amendments to the Conservation Authorities Act: The city of Peterborough supports amendments to the Conservation Authorities Act. The local conservation authority has been acting in a responsible manner in dealing with funding cutbacks over the past years, and the board is working hard to deal with the funding limitations announced in November 1995.

Schedule Q, amendments to various statutes with respect to interest arbitration: Interest arbitrators are under no obligation to take into account a particular community's ability to pay the wage demands of unions representing firefighters, police and health care workers. In fact, interest arbitrators have had a completely free hand to make awards without any stated or required guidelines to be applied to their adjudication of monetary demands. In the past, the city of Peterborough has been ordered to implement extremely expensive interest arbitration awards, and we feel that equity has not always been done to the taxpayer.

The city of Peterborough supports schedule Q to Bill 26 and the proposed amendments to the Fire Departments Act, Hospital Labour Disputes Arbitration Act, Police Services Act, Public Service Act and the School Boards and Teachers Collective Negotiations Act. The city believes that requiring interest arbitrators to follow the criteria enumerated in the amendments in making a decision or award will go a long way to restoring fiscal responsibility in compensation administration in the public sector, and in particular the municipal sector.

The city believes that the imposition of the criteria set out in subsections 5.1(1), (2) and (3) in each of the statute amendment proposals will ensure that employers will be able to tell it like it is to arbitrators in deliberations of



wage adjudication. The criteria requiring arbitrators to consider the extent to which services may have to be reduced if current funding levels are not increased will require arbitrators to finally recognize and acknowledge the interests of the missing party at interest arbitration hearings, namely the taxpayer.

The city of Peterborough has rationalized its workforce for two consecutive fiscal years. City council has received a consistent message from the taxpayers of Peterborough: There is no room for tax increases. At this time, the government of Ontario continues to reduce the city's grants, which puts continuing pressure on the city's ability to afford to provide the services the taxpayer depends on. The economic situation of our province and this municipality dictates restraint in compensation awards.

The city supports the amendments to the statutes listed at schedule Q to Bill 26; however, we would ask the committee to carefully review the wording of the introductory paragraphs to each amendment. I am referring to the paragraph that states, "In making a decision or award, the board of arbitration shall consider the following criteria."

We respectfully submit that the proposed language should be further amended for clarification to ensure there is no mistake in the minds of arbitrators that they must consider and be bound to apply the criteria enumerated. Mere consideration of the criteria does not guarantee that the arbitrator will be bound to apply and act on data presented by employers with regard to ability to pay, threat of service reduction and the economic situation in Ontario.

In closing, I would like to thank the committee on behalf of the city of Peterborough for the opportunity to appear before you this evening, and wish you well as you consider this very important piece of legislation. Thank you very much, everyone, for attending here in Peterborough.

**The Chair:** Thank you very much. We have three minutes per caucus for questions, starting with the government caucus.

**Mr Stewart:** It appears that various governments and municipalities, even though we've been criticized about restructuring and so on, are working well in this community, with both of you here tonight, and I appreciate both of you here.

I guess what we've heard over the last three or four days that I've been on these hearings is that the municipalities have been catered to by AMO at the expense of many people in the province and that you people, as municipal leaders—and we're hearing that not only from the public but from various groups that have presented—do not have the ability, and I use that word, the ability, to manage your own affairs. I have real difficulty with that because I believe the municipal level of government is the closest and most accountable to the people.

I would ask that you make some comment towards that type of accusation that has been going on over the last few weeks.

**Mr Doris:** I don't think there's any question but that in fact we here in Peterborough manage our own affairs in a most responsible manner. Our record of service to

the public for a long number of years I think is one that has served our community well. We manage our funds well. We are very careful with the funds set aside with regard to servicing our debenture. We have a surcharge, for instance, that is self-liquidating, and that's how we were able to spend \$14.5 million on our sewage treatment plant in order to clean up the Otonabee River and assist in its restoration. I think we can do it quite nicely.

**Mr Percy:** I also believe we can handle the problems with our debt. I spoke in part of my address about the fact that we've cut back staff, wages, all our costs of operations over the years, and we have not raised the levy since 1993. I think that's very responsible. I also think that those who criticize us and say that we can't run our business maybe don't know what kind of business we're trying to run.

**Mr Stewart:** It's amazing when you find that you gentlemen have kept your tax base, or the increases, to a zero point in the last number of years, yet previous Ontario governments have raised theirs 33% and 32%. I would just like to say that this is why we're having these hearings. There are hearings that our members are coming to daily, and I would suggest that many of the points that you people have brought up tonight, as well as the eastern Ontario wardens and the various other municipal officials, will be looked at and will be addressed next week as we go through clause-by-clause.

**Mr Phillips:** I appreciate the chance to be here. Actually, it reminded me: I coach an Atom team myself and we're on the ice at 9 o'clock tomorrow morning.

**Mr Sampson:** Right here?

**Mr Phillips:** No, no, in Toronto.

**Mr Young:** You'd better get going.

**Mr Phillips:** I will make a comment and then I'd like to ask a couple of questions. I think the mayor and the warden appreciate that the government had no intention of hearing from you. They wanted this bill passed on December 14. We would never have been in Peterborough; we would never have heard from you. I find it insulting that that was going to take place. As a matter of fact, it was less than two days ago that you weren't even going to be allowed to be here. So if one says they care about consultation and hearing important presentations from you, I just say to you that that was never the intention of the government. This bill would have been law on December 14. And then they accused us yesterday of unruly behaviour.

My compliments to the mayor and the warden.

They've already tabled some amendments, as you know. You may not have had a chance to look at them, but they have no intention of accommodating your request for the commission's report to not be final. It is going to be final. It will not do what you want it to do. It will be final and it will be implemented.

My question really is frankly to help me on the fees and licensing, because I know you understand it but I've spent three weeks at this now and I don't understand it. When we were in Kingston, the council there felt that the licensing provision did provide them with a chance to put fees on, for example, of a cent a litre for gasoline, in the licence—not in a tax, in the licence.



2210

The provisions in the act say that wherever a part of this act conflicts with a part of any other act, the part that favours the municipalities will override all other sections. So even with the amendments the government has proposed, as you've looked at it—you obviously understand this clearly—does the bill provide you, in the licensing area, with that flexibility? I know you won't want to do it, but just in terms of the flexibility it provides you, do you have that flexibility?

**Mr Doris:** Mr Phillips, I haven't seen the amendments. I understand there are some amendments that have come out, but I was away today so I didn't get a chance to read them. But I will say this, that it wouldn't be the intention of the city of Peterborough to add any tax to gas.

**Mr Phillips:** I know that, but does it give you the option, is what I'm saying.

**Mr Doris:** It doesn't?

**Mr Phillips:** Does it?

**Mr Doris:** Well, I must say that it is—has information come out, Mr Chittick, today, while I wasn't there?

**Mr Ronald Chittick:** Mr Phillips, it's my understanding that the minister has made it very clear that income tax, a tax on gasoline—

**Mr Phillips:** No, no, no. This is my problem. You're here supporting the bill, and I'm not sure you understand the bill, with all due respect.

**Mr Doris:** Oh, yes.

**Mr Phillips:** No. I don't think you understand that it doesn't change—you've said you hadn't read the amendments. But my question is, does it permit, in the licensing side, the imposition as part of the licence—not a tax, part of the licence, a tax in response to the licence?

**Mr Chittick:** In my view, it does not, but I'm certainly not an expert on these matters.

**Mr Silipo:** Thank you very much for the presentations. Although there are a number of points that I don't necessarily agree with in your presentation, I wish we had more time to be able to go into some more discussion, because I think that's really what gets us to at least a more common understanding of different points of view.

I guess I would just add to what Mr Phillips said that there's another area where you're not going to be happy, and that is in the arbitration section, because the government has made some changes, and, Mr Mayor, you couldn't have read them today because they were only tabled with us at 5 o'clock or 5:30 this evening, so if you'd been in your office today, it wouldn't have helped you as far as knowing what the amendments were.

But the interesting thing on this one is that I think what the government's going to try to do is to tell you they've toughened this thing up because they've put in here that the arbitrator should also consider not just current funding levels but also taxation levels, so that the taxation levels will not be increased, but then they've put in a kicker which says, basically, "Nothing in this subsection affects the powers of the arbitrators." I think they'll try to say to the police and to the firefighters that those criteria are there but they don't count for much, and they'll try to tell you and other municipalities that they've really toughened this up and it's there.

I just raise that because it is, to me, a very classic example of the kind of—well, "two-faced" perhaps is too strong a word, but it is late on a Friday evening. But that's the kind of approach that I think we've seen from the government, of not being prepared to be very upfront about what it's doing.

I guess I just come back to the question of taxation. Many have said, whether it's a user fee or whatever it's called, if it asks people to pay something for a service, it's a tax. I guess the thing that troubles me in what we're seeing is they're cutting grants to municipalities. Both of you have said that the cuts are more than what you had originally been told they were going to be, and the only avenue that you're being left with, beyond cutting services, is to increase user fees. Aren't your taxpayers going to see that as just being another form of taxation?

**Mr Percy:** Mr Silipo, I think that we consider user fees a form of taxation. If we have to impose them, it will be for the good of our municipalities, and I guess we'll be the ones that have to face the music if we do that. It's pretty simple, you know. To me it is, anyway. If we're going to do it, we may pay the price down the road.

**The Chair:** Thank you, gentlemen, all of you, for coming forward tonight and making your presentation to our committee. We appreciate your time.

**Mr Doris:** Thank you, Mr Chairman. We wish you well in your deliberations.

**Mr Silipo:** Maybe Mr Sampson could answer my question, Mr Chair. I don't want to keep us here any longer than necessary, but I just wanted to know: We've asked, as you know, over the last couple of days about whether we could expect ministers to be in attendance next week. I just wanted to see if Mr Sampson had any kind of update that he could provide us with.

**Mr Sampson:** I wasn't going to answer your question but I'll—the only answer I have now is that the request has been made to the ministers to participate in the relevant sections next week. Whether they show or not is something we are still working on, but the request has been made.

*Interjections.*

**The Chair:** On the same point?

**Mr Phillips:** On that point, yes, unless you're going to—

**Mr Sampson:** I'll defer to Mr Phillips.

**Mr Phillips:** I was given the undertaking that when the amendments were tabled, the ministers who had substantive amendments would be there. If that is not the case, I will have some difficulty with it.

**Mr Sampson:** Mr Chair, I attempted to uncover what that undertaking was, and the only thing I'm aware of is a letter that was sent by the clerk to the ministers. But as I said, the request has been made to the ministers.

On my point, Mr Chair, since this is the last of our road trip, I would like, I think on behalf of the rest of the committee, to thank the clerk and her support staff for an excellent job in supporting this committee's work on the road. I certainly want to thank you very much, Lynn, and the staff and roadies.

**Mr Phillips:** I echo Mr Sampson's—

*Interjections.*



**The Chair:** Order, please, in the room.

**Mr Phillips:** Yes. I'm going to say something about you. We need order.

**The Chair:** Order, please. I want to hear this.

**Mr Phillips:** I know I speak for our caucus, and I suspect for everyone, in thanking you, Chair, for a very balanced, fair and fine job as Chair. If you were the Premier, we would have none of these problems.

**The Chair:** Thank you. I appreciate that.

**Mr Tascona:** What about the Vice-Chair?

**Mr Phillips:** The Vice-Chair did a good job, yes.

**The Chair:** I think as a good Chair would do, I want the last word. A quick housekeeping announcement: We catch the bus in about half an hour, as long as it takes to tear down.

As you have stated, my time as Chair of this committee has come to an end. We meet with the full committee on Monday. I would like to thank committee members for co-operation throughout these proceedings. A committee Chair can only be effective if committee members are good legislative members. Those legislative members on this committee are all excellent, and I want to thank you for your cooperation throughout the process. I would like

to say I direct that to Mr Cooke, Mr Silipo, Mr Gerretsen, Mr Phillips, Mr Tascona, Mr Sampson, Mr Hardeman and Mr Young.

I especially want to thank the staff, the translators as well as Jim Petselis, Pat Girouard, Jerry Richmond and Lynn Mellor, who have carried out their responsibilities, I would say, in exemplary fashion throughout the whole process. I thank them for that. Together, this committee was one that I was proud to serve, and I believe that Ontarians would reacquire a lost respect for their assembly had they watched this committee over the last three weeks of hearings. I thank you all.

*Interjection.*

**The Chair:** Oh, you can't give me the last word, can you, Mr Phillips?

**Mr Phillips:** Just before Hansard shuts off, I'd like to make sure Peterborough recognizes that John Gerretsen was actually on council for 16 years and mayor for eight years, wasn't it? He was at every AMO meeting since—

**The Chair:** I believe that he has the North American record for chain weight as mayor.

Thank you once again. The meeting is adjourned until Monday at 9.

*The subcommittee adjourned at 2217.*











## **EVIDENCE SUBCOMMITTEE STANDING COMMITTEE ON GENERAL GOVERNMENT**

**Chair / Président:** Maves, Bart (Niagara Falls PC)

**Vice-Chair / Vice-Président:** Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Flaherty, Jim (Durham Centre / -Centre PC)

Grandmaître, Bernard (Ottawa East / -Est L)

\*Hardeman, Ernie (Oxford PC)

\*Maves, Bart (Niagara Falls PC)

Pupatello, Sandra (Windsor-Sandwich L)

\*Tascona, Joseph N. (Simcoe Centre / -Centre PC)

Wood, Len (Cochrane North / -Nord ND)

\*Young, Terence H. (Halton Centre / -Centre PC)

*\*In attendance / présents*

**Substitutions present / Membres remplaçants présents:**

Gerretsen, John (Kingston and The Islands / Kingston et Les Îles L) for Mrs Pupatello

Phillips, Gerry (Scarborough-Agincourt L) for Mr Grandmaître

Sampson, Rob (Mississauga West / -Ouest PC) for Mr Flaherty

Silipo, Tony (Dovercourt ND) for Mr Wood

**Also taking part / Autre participants et participantes:**

Cleary, John C. (Cornwall L)

Galt, Doug (Northumberland PC)

O'Toole, John R. (Durham East / -Est PC)

Rollins, E.J. Douglas (Quinte PC)

Sergio, Mario (Yorkview L)

Stewart, R. Gary (Peterborough PC)

**Clerk / Greffière:** Mellor, Lynn

**Staff / Personnel:** Richmond, Jerry, research officer, Legislative Research Service



## CONTENTS

Friday 19 January 1996

Police Association of Ontario .....	GS-920
John Moor, president	
Paul Walter, president, Metropolitan Toronto Police Association	
Paul LaCourse, administrator, Halton Regional Police Association	
Stu Campbell, administrator, Peel Regional Police Association	
Mark McConkey, director, Durham Regional Police Association	
Brian Adkin, president, Ontario Provincial Police Association	
Whitby Chamber of Commerce .....	GS-925
Allan Faux, president	
Marc Kealey, member, government relations committee	
Debbie Sweetman, chair, government relations committee	
Peterborough Child Care Forum .....	GS-929
Sheila Olan-MacLean, president	
Ontario Federation of Anglers and Hunters .....	GS-933
Dr Terry Quinney, provincial coordinator, fish and wildlife service	
Jenny Carter .....	GS-936
Greater Peterborough Chamber of Commerce .....	GS-940
Don Frise, general manager	
Peterborough Social Planning Council; Peterborough Coalition for Social Justice .....	GS-944
Jacqueline Powell, executive director, Peterborough Social Planning Council	
Floyd Howlett, chair, Peterborough Coalition for Social Justice	
Ski Telemark Ltd .....	GS-948
Holly Blefgen, president	
County of Peterborough; City of Peterborough .....	GS-952
Doug Percy, warden, county of Peterborough	
Jack Doris, mayor, city of Peterborough	
Ronald Chittick, administrator, city of Peterborough	





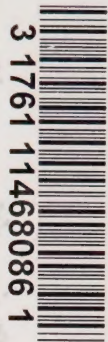












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